

INTEGRITY PACTS – CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Narrative report from civil society monitors: January – June 2020

In 2015, Transparency International began a project called “Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds” that brings together a coalition of government, private sector, civil society and citizens to make sure that 18 major public contracts in 11 EU countries are clean contracts: designed and implemented to the highest possible standards of transparency, accountability and efficiency, according to the public interest. We are doing this using a tool we call the Integrity Pact in collaboration with 15 local civil society organisations¹ and funded by the European Commission. Here are the reports from the civil society organisations for the period January-June 2020.

Executive summary	2
Status of monitored projects	3
ActionAid Italy	4
Amapola, Italy	6
Romanian Academic Society	9
Stefan Batory Foundation, Poland	11
TI Bulgaria	13
TI Greece	15
TI Hungary.....	18
TI Italy.....	20
Final report – Lombardy Region project.....	23
TI Latvia – Final report	34
TI Lithuania.....	46
TI Portugal.....	48
TI Romania and Institute for Public Policy	49
TI Slovenia	52

¹ The monitoring partner Transparency International – Czech Republic has completed its monitoring activities in December 2019. To learn more about their involvement in the project, refer to the previous narrative reports.

Executive summary

The IP project was extended until the end of 2021 which will allow the uninterrupted continuation of the core activities. The partnership will therefore apply the IP model more consistently on the 18 monitored projects across the various procurement phases, which in turn will strengthen the learning component of the pilot. Conversely, more comprehensive learnings will feed the advocacy activities planned at the national and EU level. During this reporting period, the outbreak of the COVID-19 pandemic in Europe in March 2020 was the main external change that affected the project's progress. Therefore, this reporting period can be divided into a pre- and post-Coronavirus phase.

The first months of 2020 were productive for the project. In January 2020, TI-S organised a two-day internal meeting with IP monitors to take stock on the most important achievements in 2019 and advance the extraction and definition of learning products. In addition, in February the project was featured at the high-level conference “Engaging citizens for good governance in Cohesion Policy” organised by DG REGIO. The conference was a unique chance to showcase the impact stories from the project, and also to establish important connections with a variety of stakeholders at the EU, national, and regional level interested in our work. Finally, in the first months of the year, partners also advanced their national advocacy plans with central and regional governments to set the ground for a sustainable future of the IP model.

With the outbreak of COVID-19, several project activities were negatively affected. The on-site visits were no longer a possibility, the staff within contracting authorities were under a lot of pressure and unresponsive, the engagement of affected communities became difficult because of the measures to contain the pandemic, and some of the winning bidders could no longer deliver their services. The situation improved towards the end of the reporting period, when all monitored works were restored. For some, such as citizens' engagement activities or meetings with governmental agencies, barriers remain in place, but project partners already managed to find alternative collaboration and communication channels, mostly through online tools or remote working.

One of the biggest revelations of the COVID-19 outbreak was that the IP project could turn a challenge into an opportunity. The pandemic has highlighted how vulnerable public procurement is to corruption and how vital clean contracting can be to safeguard social, health, and economic stability for citizens. The IP project responded promptly to this challenge and developed a set of new COVID-19 activities to be implemented within the project. These aim at advocating for renewed mechanisms of public control on government contracting. These activities can in turn bring visibility to the important objectives of the IP EU project and the EC contribution to this cause.

Aside COVID-19, the lower number of irregularities reported by monitoring partners seems to confirm that the risk of irregularities related to contract execution is considerably lower in comparison to the pre-tender phase. At the same time, the increased capacity of contracting authorities to manage integrity risks shows results in the management of some of the irregularities and risk factors identified. Integrity Pacts are effective in supporting CAs to improve their capacity to prevent, detect, and resolve irregularities.

The external changes affecting the IP project have therefore provided both challenges and opportunities to the project, which the partnership is willing to take and react to. While the focus of the project will remain on the core monitoring activities, COVID-19 has renewed the role of the European Union and its funding mechanisms. On the eve of the adoption of the new EU programming period 2021-2027, the IP partnership will demand stronger clean contracting policies and tools by sharing the lessons thus far from the project, by involving national and EU-decision makers, and by promoting the strengths of the IP model.

Status of monitored projects

Status of monitored projects as of 30 June 2020*

TI Czech Republic	TI Italy / ESF	ActionAid	SBF Poland	TI Portugal	TI Italy / Cagliari rail	TI Lithuania	TI Slovenia	TI Greece
Completed			Implementation					
TI Bulgaria	TI Hungary / Reservoir	TI Romania / Library	TI Romania / Cadastre	RAS	TI Hungary / M6 ²	Amapola	TI Romania / E-Catalogue	TI Latvia
Implementation					Tender evaluation	Preparation of the selection process and launch of tenders		Terminated

As the graphs above show, the vast majority (77%) of the monitored projects are currently being implemented. In comparison to the previous reporting period, the progress of the IPs was limited. This derives from the fact that the implementation stage is a lengthy process and prone to delays. More postponements are to be expected because of the impact of COVID-19, but at this stage CAs cannot yet quantify them. Partners in Poland, Italy (tramline in Cagliari), Lithuania, Slovenia, and Hungary (M6) have mentioned the possibility of further delays. As the monitoring progresses, other obstacles or unforeseeable events pose a threat to the timely implementation of projects. The monitors are constantly observing the developments within contracting authorities and enacting mitigation actions as soon as new delays appear.

In total two procurements processes are still at an earlier stage. The tenders monitored by Amapola (infrastructural and energy investments in Sicily) are in the final steps of the tender evaluation and should start their implementation in the coming months. The e-catalogue project in Romania has made some progress too. The Ministry of Education re-started the preparation of the project "The Integrated System for School Management" and TI Romania and IPP revised the changes to the tender documents and recommended organising a public consultation on the e-catalogue functions as well as a market consultation for the requested solution. The preparation of the tender documentation is expected to take place towards the end of the next reporting period.

Allowing maximum transparency and information sharing on the monitoring activities remains a high-level priority for the IP monitors. In the current reporting period, several monitoring reports were made publicly available, including the IPs in Italy (IP in Sicily), Romania (cadaster and e-library), and Hungary (M6 highway). Detailed information on each of the monitored project can be found in Annex 2 of this report. The graph below shows the expected duration of projects as of end of June 2020. The current number of monitored projects that would be concluded by the end of 2021 is 12, which is a high value that will allow us to observe the IP tool across the whole procurement cycle.

² The first tender (design of the M6 motorway) is concluded. The second tender (construction works) is in the evaluation phase.

Monitoring activities

Because of the lockdown, the procurement procedures stopped for over two months. The offices of the Contracting Authority were closed as well, but ActionAid did regularly communicate with the responsible as soon as the public offices were opened again in early May.

The 1st lot of works for both interventions was completed. On the basis of the Italian Code of Public Procurements (L. 50/2016, art. 102) the execution phase of the contracts having a value equal to or greater than 1.000.000 euros ends with a final testing by an appointed Testing Committee. The contracts whose value is less than 1.000.000 € need a simple certification of regular execution signed by Responsible of the Procedure and the Work Manager.

Because it was under the threshold, the certification of regular execution for the intervention 1 was signed by Responsible of the Procedure and the Work Manager on the 18th of December 2019.

Intervention 2 is above the threshold: that is the reason why a Testing Committee was selected to test all the works executed. Before going on with the final testing, some details need to be revised, so on the 11th of June 2020 the Contracting Authority authorized the contractor to realize them without change in contractual amount and within 21 working days.

The awarding phase of the 2nd lot for intervention 1 hasn't started yet.

The 2nd lot for intervention 2 started on 31st of October 2019. The procedure was handled by INVITALIA (National Agency for public investments) acting as managing authority and the signing of the Integrity Pact was included between participation requirements for the bidders. On the 12th of February 2020 the members of Awarding Committee were selected. On the 17th of March 2020 the 2nd lot for intervention 2 was awarded. The budget was 511.025,00 €. The cost of work based on lowest bid (-19,38%) is 415.958,20 €. The contract hasn't been signed yet.

Activities to communicate and promote Integrity Pacts

On the 6th of February the project manager and the I.P Trainer & and Learning Coordinator Key Expert joined the high-level conference "Engaging citizens for good governance in cohesion policy" in Brussels.

During the lockdown period, ActionAid joined some webinars as guests:

- on 19th of March 2020: a webinar about the integrity pact pilot program for some trusted associations linked to ActionAid Italy;
- on 24th of April 2020: a webinar organised by University of Turin on Cohesion Policies;
- on 18th of June 2020: a webinar on the integrity pacts pilot projects running in Italy organised by Transparency International Italy.

ActionAid organised three live-streaming events on Facebook to discuss with some experts in the field the following subjects (for hyperlinks and number of interactions, see narrative report, 2.4 - Dissemination and Communication):

- on the 3rd of June 2020: tools for civil society to monitor public policies;
- on the 10th of June: the Museum during the pandemic and the Faro Convention;
- on the 17th of June 2020: the right to information.

These live-streaming events replaced the in-presence training sessions that had been scheduled in late June but couldn't take place because of the COVID-19 pandemic. The topics covered are fewer than in the previous agenda, but ActionAid managed to give some highlights thanks to the specific expertise of the guests invited and the practices they mentioned.

ActionAid drafted a regulation for a board game on public procurement process with an expert in the field. They are testing it to define the final regulation and present the board game during the first in-presence event of Civic monitoring school that they will manage to organise respecting the social distancing restrictions and the EU-week for Regions and Cities.

Finally, ActionAid are completing the migration of the contents of the website in a new Wordpress platform, because the previous one was based on Drupal 7 and this version of the CMS won't be updated after November 2020. So they needed to develop a new website and preferred to pass to Wordpress because all the staff work more easily with it (included Transparency International Italy and Amapola which ActionAid share the website with). The new website will be online in late July. This the reason why they are reviewing some of the content, for example the timeline of the project and the monitoring reports' section.

Social accountability work (working with affected communities)

ActionAid are defining a new agenda of the in-presence event of the Civic Monitoring School. In early 2020, they defined an agenda with some local associations to co-host short workshops / working sessions about their topics or expertise. In late March, a proposal for each of the working session was shared through the newsletter sent to the targeted public. But the current social restrictions compelled ActionAid to review the agenda and to organise frontal training sessions to keep more easily the social distancing. They discussed the new proposal with the subscribers of the newsletter in a round of webinar between the 20th and the 21st of May 2020.

Hence the next event might be in September, if the pandemic status keeps to be stable as in this period. ActionAid are going to organise a field visit late August/early September to find a conference hall or a conference center suitable with the current social distancing restrictions.

The new agenda provides the presentation of a board game about public procurement that they are developing in this period together with the Secretariat of Transparency International, a presentation by local targeted associations of the most inspiring projects carried on by them and a meeting with some representatives of the Contracting authority to discuss the progresses of the monitored interventions.

Advocacy

On the 18th of February ActionAid Italy, together with the other Italian partners, met some representative of the National Anti-Corruption Authority and of the Department of Civil Service. The kick-off meeting was arranged to discuss the definition of some guidelines to implement the "advanced" Integrity Pact in the Italian legislative framework.

Because of the pandemic, the meeting with the National Anti-Corruption Authority and the Public administration Ministry scheduled on the 28th of April to start defining guidelines for the Integrity Pact process with the involvement of a civil society organization was cancelled. It has to be re-scheduled as soon as possible.

Amapola, Italy

Monitoring activities

As far as progress in procedures is concerned, the health emergency resulted in an actual stop of about 3 months (March-May).

In January, Amapola published the monitoring report #5 focused on the procedures in the education area (AIMA01 and 03). The Sicilian Region is in the process of approving the budget: once the remaining assets of 2019 have been ascertained, it must proceed with the entry in the budget chapter of the funds for the interventions and the preparation of the financing decrees necessary for RESMA to proceed.

Despite the slowdown in the energy sector due to the pandemic, there has been significant progress on two counts:

- Procedure for the executive design and supervision of works aimed at the construction of biomass platforms (AIMA intervention 19). The call for tender (restricted invitation-only procedure) was published in November. In January, all 4 parties who submitted an expression of interest were invited to submit a bid. The bids were received by the deadline (14/02/2020). The appointment by the evaluation committee was due to take place by March but, because of the lockdown, only on 21 May was the first tendering session held. The procedure was completed on 24 June and the Evaluation Committee confirmed the provisional adjudication on 24 June.

Amapola monitored the events through access to the "Ponmetro" platform that the CA uses to upload all the tender documentation and for discussions with participants.

On examining the files on 26 June, Amapola requested the CA to provide the declaration required by article 2, paragraph 5 of the Integrity Pact regarding the relations between the tender participants in the previous 3 years. The CA promptly provided the request. The declarations were received by 30 June.

Although it was impossible to go into the field, having access to the digital platform in read-only mode allowed Amapola to oversee the procedure. However, it is not sufficient for monitoring purposes. Despite the fact that the CA was informed several times about the Pact and what the monitoring activity entailed, some difficulties were encountered by the contracting authority to implement new practices, different from those dictated by proximity reports. Certainly, the impossibility of meeting in person for many months did not help to overcome the slowness and difficulties of the Contracting Authority. Amapola are therefore planning a mission in September to meet with the CA and the already identified Project Managers in order to share a procedure to comply with the Monitoring Agreement and the Integrity Pact.

- Procedure for the efficiency of public lighting (AIMA intervention 17 B). During the monitoring mission in February, the contracting authority informed Amapola of its intention to adhere to a CONSIP (public company managed by the Ministry of Finance) convention for the implementation of the efficiency measures, in order to streamline the procedure and quicken the timescale.

CONSIP launched a tender at national level for the energy efficiency of public lighting, dividing the territory into lots. Once the company is adjudicated for the lot corresponding to the Madonie area, the Union of Municipalities will open negotiations to draw up the convention agreement with the successful bidder but without participating in its selection, as CONSIP is responsible for the tender procedure. This intention of the Contracting Authority has opened some issues concerning the monitoring of the tendering phase and the signing of the Integrity Pact by the adjudicating company. Therefore, Amapola has requested an opinion from a legal expert in contracts and administrative law to understand how to act and what scenarios may be faced.

At present, the procedure for the allocation of lots by CONSIP, expected by the month of April, has not yet started, due to the health emergency.

This change of course by the CA has forced Amapola to think not only about some practical aspects related to feasibility, but also and above all about aspects concerning the flexibility of the Pact and

monitoring when something changes regarding the plans. The approach Amapola have decided to take is to use the legal advice of the expert as a basis for working with the contracting authority to find a solution that complies with the Monitoring Agreement and at the same time, is an opportunity to learn about the applicability of the Integrity Pact after a tender phase that has not been managed directly by the contracting authority.

Activities to communicate and promote Integrity Pacts

On 6 February, Amapola held a stand at the High-Level Conference "Engaging citizens for good governance in Cohesion Policy" in Brussels. It was invited to the conference to present its experience as independent monitor in the experimentation of the Integrity Pact in the Madonie and to recount the activities of involving citizens that it has carried out within the project. For the occasion Amapola prepared a roll-up, a presentation and two videos. In addition, the ANSA agency created an ad hoc reportage consisting of video interviews and articles. It was a very encouraging and motivating experience, not only for the visibility that the context of a conference at this level provided, but also for the opportunity to meet other companies working in *clean contracting* and involving citizens in taking care of public affairs.

In terms of communication, the second chapter of the project's web-doc that is focused on social accountability and citizen involvement, was published in April. Moreover, in these months, Amapola and the Italian partners have been working on the renewal of the project website, moving it to a new platform. The technical need to update the platform on which the project website was built, has provided the opportunity for the Italian partners to work and redesign the contents in a longer term perspective, already preparing all the tools to make it a site for the dissemination of results even after the end of the project. By focusing on this new need, it was mutually agreed to use the WordPress platform that allows to remodel the contents and make updates in an easier and more autonomous way, without the intervention of computer technicians.

Lastly, Amapola collaborated with ActionAid, TI-IT, TI-S and TI-Latvia to create the contents of a board game on *clean contracting* that will be tested in the summer months and presented at the 2020 EU Week for Regions and Cities. Amapola believe that this could be an "edutainment" tool with great potential to raise awareness as it is useful to explain the complexity involved in participating in a tender in a simple way, paying particular attention to what constitutes a red flag regarding the transparency of a procedure.

Social accountability

The work-related learning project started in February with the students of the Valledolmo High School. Two days of classroom training on the Integrity Pact, the public contract/transparency relationship and how to build a civic monitoring project of a contract.

In those same days Amapola had the preparatory meetings with the middle school of Castellana Sicula, to activate a civic monitoring workshop, which due to the pandemic and lockdown that started in March, could not be implemented, and was postponed to 2021.

The activity with the students of the IV F of the High School, however, could continue by moving all activities onto online communication platforms. The students successfully completed the monitoring activity, producing a report at class group level and, at individual level, writing an account of their experience of civic monitoring without being able to leave home. The project ended in May. The children's commitment and the quality of their work were such as to highlight the results obtained with a public event, a live Facebook coverage (given the circumstances), which was held on June 8: "Civic monitoring at the time of #stayhome" which had a remarkable success with the public going beyond a thousand views. It was an event that, starting from the story of one of the students, prompted the debate among the discussants on 3 topics: usefulness, potential and limits of civic monitoring, how and why to raise awareness among young people, and from what perspectives and on what scale we can deal with transparency and participation, what skills to acquire and activate.

Advocacy

On 18 February in Rome, the kick-off meeting was held with the Italian project partners, the National Anti-Corruption Authority (ANAC) and the Civil Service Department for the preparation of guidelines to implement the Integrity Pact in contract procedures in Italy. The main outcome is the availability of ANAC and of the Civil Service Department to draw up a guidebook on the Integrity Pact implementation.

A second meeting, scheduled in the following months, was cancelled due to the lockdown and has yet to be rescheduled.

Monitoring Activities

Activities in the first half of the year suffered as a result of the Covid-19 outbreak. Work initially slowed down following the state of emergency decree and further setbacks ensued when the government attempted administrative reorganization. Work on the project resumed after certain measures were taken to adapt to the new conditions.

For FWC 1, RAS offered comments and feedback for the draft study on potential beneficiaries. One observation was that the conclusion mentions no need to increase quality of direct communication but to adopt changes to communication infrastructure. However, figures presented prior in the report showed only 17% of beneficiaries received the training. This, in the expert's opinion, was also an aspect of direct communication, which is why they recommended reconsidering the conclusion. Another observation concerned the number of beneficiaries, as some figures gave 285, while others mentioned 282. RAS' suggestion was to correlate the information. They also requested more information about sampling and level of confidence, as well as extra examples of communication means used. Regarding information respondents would like about OPAC, 37% did not know or did not answer. RAS found it curious that so many potential beneficiaries did not know about the program and requested possible explanations as to why. Other comments regarded clarity of information: rephrasing where ideas were not clear or no logical link seemed to exist, requesting graph labels or asking for data behind the conclusion that OPAC utility could be improved through extra financial aid to public bodies directly offering public services.

For the study on beneficiary satisfaction, RAS pointed out some inconsistencies in the number of projects and beneficiaries mentioned and requested double-checking and clarifying them.

All recommendations were taken on board.

On June 30, RAS received an invitation to a reunion presenting the results of the 1st SC for FWC 1 scheduled for July 6, 2020.

A kickoff meeting for the 1st subsequent contract of FWC 2 took place on January 16, which RAS attended. Subsequently, the contractor required replacement of five non-key experts from the project, and RAS requested clarifications concerning the new candidates, all of which were eventually approved. One noticeable and positive aspect is that RAS was involved in all communication relevant to the project between the CA and the winners, even concerning issues not directly part of the IP (such as design of promotional material or visual elements).

For FWC 2 RAS reached an agreement with the CA that their monitors would receive tender documents post-factum. As such, their recommendations can be considered only for future contracts. Documents they did receive were difficult to analyze due to issues such as poor scanning quality, absence of an index, random blank pages and other. Time could have been saved and issues avoided with slightly more effort on part of the CA. Also, the independent monitors did not receive some documents such as replies to clarification requests, offers from suppliers, etc. yet they did receive scans of documents that were not connected to the procedure being monitored. In addition, one of the bidders sent out documents only in English, and there is no evidence that the CA has requested translations despite an obligation to do so. We recommended that the CA should request translations of all documents submitted in another language.

One of the bidders mentioned mandating several people to take decisions on their behalf, including a member of the European Parliament, yet the CA did not request them to provide any declaration regarding conflicts of interest. RAS' recommendation was that the CA should verify that all decision-makers and relevant stakeholders are not at risk of a conflict of interests.

The CA requested clarifications regarding the background of one of the experts. The bidder sent a reply containing several works published by the expert on the topic of private data but did not provide evidence of their qualification as a trainer in the field. As such, the monitor was not convinced of their expertise. RAS' recommendation is that the bidder should provide documentation that the expert is a certified trainer in the area of private data. This is, notably, the first recommendation RAS made to one of the bidders, given that the CA performed its duty of requesting clarifications.

Similarly, one of the bidders did not provide documents supporting the reasoning behind their surprisingly low price, despite requests to do so from the CA. Instead, they offered an explanation based on a reasoning that was not supported by the tender offer. Here too, RAS' recommendation goes to the bidder, who should provide supporting documents that explain their low price, to avoid situations in which the price is reassessed after the contract is signed.

When, because of the Covid-19 outbreak, one of the contractors wanted to withdraw from the contract, RAS offered mediation and presented available options to them, encouraging dialogue. The contractor eventually reconsidered. As part of mediation, RAS suggested holding the training sessions online, and helped revise the training methodology in this respect. As part of this revision process, RAS recommended clearly specifying the platform to be used, as different platforms have different costs and learning-curves. They also requested clarification on how participants would be split into groups given the technical limitations and suggested having a short tutorial on using the online platform before each session. Moving the training from in-person to online also meant that the promotional materials for on-site use were no longer necessary, so RAS recommended using only those meant for participants, saving some overall costs.

For the evaluation phase of FWC 3 RAS received poor quality documentation and found it impossible to make any assessment using them. They therefore requested these be resent in usable format. The winner of FWC 3 has yet to sign the IP, therefore RAS could not attend the kickoff meeting of the 1st subsequent contract on January 13. Despite repeated assurances that they will join the IP, thus far the winners have not done so.

On May 29 RAS sent out the baseline survey for the CA and AM OPAC, followed by the one for contractors on June 4. A reminder was sent to the former on June 10, and the analysis of results was carried out in July. The survey was done with ample contribution from Lydeke and gathered replies from five contractors and nine members of the AC.

Activities to communicate and promote Integrity Pacts

RAS coordinated the drafting of the IP brochure, and published a number of articles related to procurement in the time of COVID-19. Both the CA and TI-S contributed to drafting [the brochure](#), which was published in 1.500 copies.

Monitoring activities

SBF continued monitoring the site, the on-going contractual correspondence and the project board discussions in Częstochowa, until they had been cancelled due to the COVID-19 pandemic. Immediately before Poland introduced pandemic control measures, a quarterly meeting was held on 5 March with the Client, the Contractor and the Managing Authority which addressed the questions and comments submitted by the civil society observer regarding issues and questionable aspects of the project. Under lockdown, SBF maintained remote interaction with the Client, the Contractor and the Contract Engineer. On 8 May, SBF held an online discussion on the impact of the pandemic on contract delivery. They sent a letter to PKP PLK requesting clear information with respect to areas deemed most critical for the proper implementation of the project. Five separate letters asked specific questions about the status of the Contractor's claims, late invoice payments, changes to contract milestones, completed works, and reasons behind the instruction to modify the reconstruction of the Częstochowa Towarowa station. PKP PLK replied to all letters in writing.

As a result of earlier interventions by the civil society observer regarding the continuation of works without a building permit, the Centre for EU Transport Projects published a Circular in which it warned against the violations of the Construction Law. The document was distributed to all beneficiaries of the 2014-2020 Infrastructure and Environment Operational Programme in February 2020.

In addition, the Foundation decided to address another issue, i.e. the refusal to disclose public information to the Contractor. The Contractor had made a formal request to the Client for an editable version of the acoustic model. The applicant had intended to use to validate the case for acoustic screens in all the locations specified in the environmental conditions decision. PKP PLK had all along maintained that this was not public information and it could not be shared with the Contractor. The dispute between the parties was referred to the provincial administrative court as a result of the Contractor petition filed on the grounds of the institutions' inaction. The Foundation's consultant wrote a legal opinion which suggested that no grounds existed for the refusal by the Client to disclose the information. The Foundation decided to file its legal opinion to the court on the *amicus curiae* basis in order to present a view of a civil society organisation on access to public information in public procurement. Any limitations on such access could undermine the transparency of the entire public procurement process. SBF are hoping that their legal opinion will influence jurisprudence to ensure greater transparency of public clients procuring goods and services. The Foundation's firm response in this case was additionally motivated by the fact that the contested editable version of the acoustic model had been funded by the EU.

The major milestone in developing the monitoring report covering the time from contract award to contract signing has been completed. The report describes the process of negotiations of the Integrity Pact, the implementation of watchdog activities by the civil society observer and its perception of PKP PLK practices. The report contains a supplement that summarises interviews with contractors who shared their views regarding the PKP PLK behaviour towards the project parties. The Foundation completed its last interview in early 2020. The draft report has been presented to social partners who are invited to send their comments. According to the Integrity Pact, the civil society observer is not responsible for making any modifications to the report at the request of any of the parties to the Integrity Pact but it should include a statement of objections if any such objections were to be filed by PKP PLK.

Activities to communicate and promote Integrity Pacts

Representatives of public institutions, civil society organisations and EU institutions discussed about corruption risks in public procurement and risk mitigation instruments, including Integrity Pacts at a seminar "Corruption Prevention in Public Procurement". The event took place on 28 January 2020 and it was supported by Clifford Chance legal professionals. It was attended by approximately 40 people and the panel discussion was streamed live on Facebook. The panel included Clifford Chance lawyers, representatives of the European Anti-Fraud Office, the Ministry of Regional Funds and Policy and Transparency International Bulgaria. The second part of the meeting included three workshop sessions: (i) implementation of integrity pacts in construction projects in Poland and Bulgaria, (ii) fighting corruption by law enforcement agencies, (iii) anti-corruption instruments used in the public procurement sector in the European Union. SBF produced 8 short videos to capture the key conclusions of seminar with quotes from panelists. The videos were one by one share in social media in the following months. The [highlights](#) of the event were posted on paktuczciwosci.pl. Generally, the event contributed to

increase a public awareness of corruption risks in public procurements and IP as potential response to them, as reflected in numerous reactions to SBF relevant posts in social media and later articles referring to the debate³.

The project communications strategy had to be reviewed due to social distancing as a result of the COVID-19 pandemic. As real-life meetings were no longer an option, a decision was made to produce regular podcasts that would use a simple language to discuss public procurement, railway projects and corruption prevention in the context of the Integrity Pact. A pilot podcast has been recorded that discusses the origins of the Integrity Pact and its launch in Poland.

SBF's information poster about the monitored project and the progress monitoring process was significantly revised and updated and reposted on the project website.

³ See: G. Makowski, *Przetargi pod kontrolą obywateli*, Rzeczpospolita 23.03.2020 - <https://www.rp.pl/Administracja/303239990-Przetargi-pod-kontrola-obywateli.html> ; T. Siudem, *Korupcja w zamówieniach publicznych*, Zamawiający 2020, no 7.

Monitoring activities

For a fifth year now Transparency International Bulgaria (TI-Bulgaria) has been monitoring the public procurement for the design and works of the Zheleznitsa Tunnel on Struma Motorway. The project started in 2016 and has been implemented upon the initiative and with the financial support of the European Commission.

In the beginning of 2020, the public procurement for the design and works of Struma Motorway, lot 3.1 Zheleznitsa Tunnel with three lots was in the implementation phase. The construction works were launched in the end of 2019. The sections immediately preceding and following the tunnel are expected to be completed in the beginning of 2021, while the tunnel itself is expected to be ready in spring 2022.

The monitoring methodology for the implementation phase includes review of documents, field visits, and participation in monthly meetings of the contractors, contracting authority and construction supervisory authority (a consultant). During the reporting period, TI Bulgaria's team carried out four field visits in January, February, March, and June. Representatives of the monitoring team took part in a total of six meetings – two for every lot. No field visits and participation in meetings were carried out from mid-March till mid-May due to the restrictions introduced in the framework of the COVID-19 pandemic situation and the travel prohibitions. As an alternative, they carried out preparations for online meetings with the contractors, contracting authority and construction supervisory authority. In the context of the emergency situation the TI-Bulgaria team faced restrictions as regards access to documents to be reviewed in the headquarters of the Road Infrastructure Agency (RIA). Following a series of discussions and written requests, finally RIA provided a small part of the requested documents in electronic version. From the end of May TI BG's team resumed the monitoring under regular conditions and at regular pace.

From mid-March till the end of the reporting period the construction works were carried out by a reduced number of construction teams with a view to securing safe working conditions and reducing the risks of contamination among the staff. This led to some delays in the preliminary construction schedule. According to the information provided by the Road Infrastructure Agency, amendments to the procurement contracts are being discussed in order to extend the implementation deadlines by two months.

Within the reporting period, TI BG's team together with a group of experts in the area of law, social studies and engineering prepared a monitoring report on the implementation of the awarded contracts. Following verification of the report by the contracting authority, RIA, it will be published in late-August / early-September.

During the reporting period, Transparency International Bulgaria continued developing channels for cooperation with the three contractors for the Zheleznitsa tunnel. Their efforts have been aimed at building mutual trust in the monitoring of the construction works. TI BG may report as a success the established communication with the site representatives of the contractors who readily answered all questions of the independent observer, provided written information and visual materials. TI BG's team continued the efforts of convincing the official representatives of the contractors to join the Integrity Pact. The emergency situation and related new commitments and problems facing the private sector caused some delays in this process. TI BG may safely report that by the end of the reporting period they have the orally confirmed consent of all three contractors to join the Pact. TI BG expect that by the end of the active working season the accession to the Pact will be finally formalized.

Activities to communicate and promote Integrity Pacts

TI Bulgaria's team continued with the dissemination activities of the Integrity Pact and offered citizens the opportunity to take part in the monitoring of the construction works and put forward questions of interest to them. Through the new section [tunnel.report](#) on TI BG's website, every interested citizen may send a photograph, make a comment, ask a question or send a signal about an irregularity as regards the construction of the Zheleznitsa tunnel. Due to the travel prohibition during the emergency, understandably citizens were not very active. However, this changed in the end of May and the beginning of June. TI BG's team received several inquiries from local citizens, and they sought for the answers from the competent authorities.

TI BG also published [photographs from the field observations](#) at the construction site. They continued maintaining the [Monitoring](#) section where they publish up-to-date information about the progress made in the construction works.

Monitoring activities

TI GR conducted the monitoring process covering the period after the contract signature (28/3/2019) until the start of construction works (17/3/2020). The upcoming 2nd MR report scheduled to be published in July is based on the review of official documents and on-site visits to the offices of the CA. Main findings from this monitoring period fall under 2 thematic areas:

- i) Timetable for project implementation
- ii) Payments to the contractor

Timetable for project implementation

- Non-application of the approved road plan on specific roads of the Municipality of Nikaia - Agios Ioannis Rentis in order to expropriate private properties. Since October 2019 when the issue was pointed out in the 1st Report of the IM (10/2019) until today the matter is still pending despite the repeated requests from Attica Region to the Municipality, in order to settle the issue and speed up the procedures under its jurisdiction. It should be noted that the process of expropriation should have been completed before the signature of the contract, according to an explicit provision of the funding decision. The case remains unresolved, **preventing the construction of the entire network of the Collector S1** and is putting in serious danger both the meeting of the contractual deadline for the completion of the project, and the very implementation of a large part of the physical object of the contract (Collector S1 is designed to collect and convey approximately 50% of the total stormwater volume, in the whole project area). The Mayor concerned is now requesting all costs related to the expropriation of properties (landlord compensation & building demolition) to be covered by the funding decision of the antiflood works.
- It took 10 months from the submission of the study on traffic arrangements by the Contractor to the Contracting Authority (CA) (for only one subnet of the project (Collector S2) until the final decision about their implementation; such a delay had a significant impact on the project schedule since the implementation of traffic arrangements stands as a prerequisite for the beginning of the works. The process was carried out as required by law to secure the necessary approvals from various bodies ((Directorate of Metropolitan Infrastructure Management of Attica Region, Municipality of Moschato-Tavros, Municipality of Nikaia-Ag. Ioannis Rentis, O.A.S.A., Directorate of Road Infrastructure of the Ministry of Infrastructure and Transport, etc.). From the documents submitted to the Independent Monitor, it emerged that the process of approving and implementing the aforementioned traffic arrangements, was initially scheduled to be completed by 17/5/2019 (based on the initially approved schedule), then (after its amendment) until 11/9/2019, then was postponed again (based on the last approved schedule) until 10/30/2019, to be finally completed just on 14/3/2020, with the issuance of the relevant decision by Attica Traffic Police. The decision provides for the application of the described traffic arrangements in the road sections mentioned therein, exclusively in the area of Moschato-Tavros (one of the two subnetworks of the project), during the period from 16/3/2020 to 28/9/2021, for the execution of Project work. The IM is concerned that the same delay may occur when the aforementioned procedure (of assessing, approving and implementing traffic arrangements) shall be repeated as a precondition for the second subnet's works to start.

Payments to the contractor

- i) The contractor submitted a request for an advance payment equal to 5% of the amount of the contract, which the CA rejected as the contract does not foresee an advance payment to the Contractor.
- ii) Two months later, the contractor submitted the 1st payment request for materials which the CA approved, justifying the payment as that it concerns materials which shall be used in the forthcoming works (8 months before any construction started). According to law the quantities of these materials may not exceed those required to carry out the subsequent works, unless otherwise specified in the contract. The materials included in the first payment order cover almost the entire amount of cement pipes required for the subnetwork S2 (ie a percentage of approximately 92% of the total amount of pipes needed) and almost the entire quantity of the required iron reinforcement for the subnetwork S2 (ie approx. 88% of the total iron needed). As by 26/6/2020, the construction works on stormwater pipelines had **not** started as the contractor

is currently doing preliminary utility network shifts (meaning that materials that have been paid, have not been used yet).

The CA responded to the IM's relevant request for clarifications, stating that a) the materials included in the 1st payment request relate to the construction of the pipelines which are part of the Collector S2 in Moschato, b) their quantities do not exceed those required for the construction of the Collector S2 and are part of the total quantities of the Project, c) in view of the-at that time-submitted traffic study, the approval of which was expected, it was clear that the works of the project were planned to start with the construction of the Collector S2 and that e) at the time of approval of the 1st account, the schedule, which was in force, provided that these works (construction of pipelines and rectangular pipelines) would begin on 12/9/2019 and 17/9/2019, respectively, immediately after the completion of the implementation of the initial traffic regulations (which was scheduled to take place by 11/9/2019). The IM disputes the wide interpretation attributed by the CA to the meaning of "forthcoming" works, which led to the approval of the aforementioned payment, especially taking into consideration that the works (in which the aforementioned materials would be used) have not started yet.

Works officially started on 17/3/2020, however up until 26/6/2020 **only** relocations of public utility networks that impede the construction of the stormwater pipelines have taken place. The 2nd MR was shared with the CA, MA and contractor for comments on June 30, 2020 and will be published in July.

As a result of the COVID-19 pandemic outbreak several restrictions were imposed from 11/3/2020 nationwide (i.e. educational institutions of all levels suspended operation, community gathering spaces and public spaces [i.e. theatres, cinemas etc] the same, conferences/meetings/seminars/ trainings not allowed). "Work from home" was clearly and strongly recommended by official authorities and many private companies suspended their operation by order of the government. Public sector agencies applied rules for social distancing for staff, many of which were on special leave, and work rotation. Government also imposed significant restrictions on all non-essential transport and movement across the country. However, works on site began after the completion of traffic arrangements and were not affected by the pandemic. In addition, and despite the special conditions created, communication between the Independent Monitor and the CA continued unabated. The Contractor, however, has not responded to the IM's written request for clarifications.

Activities to communicate and promote Integrity Pacts

During the reporting period (JAN-JUNE2020) the IP was promoted to relevant stakeholders through:

- a) Circulation of a newsletter dedicated to the 1st MR to interested stakeholders (January 2020).
- b) Publication of an opinion article on the significance of clean contracting especially in times of emergency (May 2020).
- c) COVID-19 and procurement newsletter (May 2020).
- d) Social media posts.

Throughout the reporting period the project website (www.integritypact.gr) was following the project's progress. Therefore, 1217 users (1183 new ones) visited the project's website (www.integritypact.gr) according to official data (google analytics).

Social accountability work (working with affected communities)

Due to the COVID-19 pandemic, presentations/meetings with affected communities, youth audiences (university + high school students) and other stakeholders have been postponed for the next reporting period (possibly to be made online).

Advocacy

TI Greece co-signed (along with Open Technologies Alliance {GFOSS}) a letter addressed to the State Minister and to the Prime Minister highlighting that it is of vital importance for all procedures and proposed measures against the effects of COVID-19 to be implemented with transparency, while restrictive measures should not limit public participation and social accountability.

TI Greece is also among the signatories of an open letter addressed to all public authorities and institutions to protect those who report or expose the harms, abuses and serious wrongdoing that may arise during the period of crisis caused by COVID-19 pandemic.

Finally, TI Greece sent a letter to the Minister of Development & Investments and the appointed lawmaking committee for the amendment of the public procurement legislation.

Online Business Integrity Forum roundtable (IP presentation as best practice for Clean Contracting and increased transparency esp. in times of emergency)// participation from 9 major companies (Coca Cola, KPMG, Hellenic Corporation of Assets and Participations S.A., gsk, Interamerican, Hellenic Petroleum etc.).

TI Hungary

Monitoring activities

M6 Motorway project

The preparation of the second public procurement procedure, which is for the actual works, started in December 2019 TI HU got the draft tendering documents at the end of the year, and the actual examination of these documents took place in January 2020. TI HU gave several recommendations to the Contracting Authority, which in majority was accepted, and in cases where not, the Contracting Authority gave a reasonable justification. TI HU's recommendations aimed to open up competition by lowering certain unreasonably strict requirements; and to clarify requirements that were ambiguous, in order to avoid misunderstandings and delays.

The public procurement procedure was finally launched on 12 February 2020. Up until June the Contracting Authority published five amendments (corrigendum) to the original Notice, partly because of the COVID-19 pandemic, and partly due to the high number of questions – which in some cases resulted in the modification of the certain technical elements. In this period February – June, TI HU could not directly monitor the procedure (the questions and the amendments), since the extension of their agreement was pending. Following several negotiations with the Contracting Authority and the Managing Authority, the integrity pact was extended on 29 June 2020.

On 31 March 2020, following several months of negotiations and discussions with the Contracting Authority, TI HU could finally publish the first monitoring report on their findings related to the public procurement procedure for the designs of the M6 Motorway! You can find it both in Hungarian and in English here: <https://transparency.hu/hirek/elkeszult-a-legfrissebb-jelentesunk-az-m6-os-autopalya-engedelyezesi-es-kiviteli-terveiol/>

Flood reservoir project

In February 2020 TI HU started planning the first on-the-spot check of the actual construction of the flood reservoir. The actual works started in February 2020, but with basic ground works, cutting trees etc; therefore the plan was that TI HU would do a „0th” on-the-spot check, so that their engineer expert could see the ground before the actual works start. To this end on 10 March 2020 TI HU had a technical meeting with the local, project company of the Contracting Authority, who informed TI HU in detail about the works that have been done, and what to expect. TI HU could also look into the electronic „construction diary”. On the same day TI HU had a Transparency Advisory Board (with the Contracting Authority and the Managing Authority), where they agreed on the date and technical details of the visit. TI HU planned this visit for the first half of April, but due to the outbreak of the pandemic, they had to postpone it.

Activities to communicate and promote Integrity Pacts

On 31 January 2020, TI Hungary organised a highly successful international conference with the participation of the new Director-General of OLAF – which was his first official visit to Hungary – and DG REGIO of the European Commission (deputy head of unit of the Hungarian Unit). It also needs to be highlighted that several high-level representative of the Hungarian Government participated as speakers (deputy State Secretary and the Director-General), as well as audience. This ensured a high level of visibility to the conference. The title of the conference was “Controlling the Use of EU Funds and the Possibilities of Civil Control Mechanisms”, and a detailed summary of the presentations and discussions can be find (in English) on the following website: <https://transparency.hu/en/news/ti-hungarys-conference-on-the-use-of-eu-funds/>

The main reason TI HU organised this conference was 1. to give more visibility to the whole IP project – since they had serious issues and delays to publish the first monitoring report, TI HU didn't really have a good “excuse” or subject to communicate on the project; 2. to show their results – since TI HU felt that both their own projects, but also the others' projects within the EU have had already results that are worth showcasing; 3. to raise awareness on the problems this project intends to tackle. TI HU feel that the fact that the new DG of OLAF participated (OLAF is very “famous”, a very well known institution in Hungary) in the conference ensured a high level of interest. It was also a unique occasion that government representatives were present, and the participants, also media had the chance to ask them about the problems around the use of EU funds, and there was an honest discussion about it. TI HU believe that all these aims above were achieved, which is proven by the high level of publicity, detailed

below. The detailed summary of the event, see the link above, highlights the main takeaways. TI HU would include only one, here, as probably the most important: “Whilst this has been hugely beneficial for the Hungarian economy the warnings were clear that the misuse of these funds, both through over-budgeting and poor competition within public procurement risks losing a valuable resource. As Anton Schrag, dep head of unit, DG REGIO, European Commission, highlighted, this is a source of income which is finite and time constrained [...] ‘Money becomes less and less over time, as we assume development (has taken place) [...] whatever is lost now will never come back [...] it is a decreasing opportunity’. In other words, EU funds lost through corruption or technical oversight will not be replaced by a never-ending supply in the near future.”

During the conference, TI HU had around 70 participants (it was planned for 50), and the conference received great coverage in the online media, with Portfolio and Népszava publishing detailed coverage, and RTL Klub, the biggest Hungarian private TV channel also covered the event in its nightly news program. On Facebook, TI HU published 5 posts that reached approximately 25.000 people and generated around 840 shares and 660 reactions. TI HU also live tweeted about the conference and their 7 tweets generated 8.500 impressions.

In the news media, Portfolio, a renowned online business news portal published 3 articles about the conference – the third one is solely on the integrity pact pilot project –, and Népszava, and HVG, two of the biggest online news sites also covered the event. All news articles mention extensively the IP project, not only the visit of the Director-General of OLAF. The 4 pieces were in total recommended on Facebook more than 7.200 times.

Social accountability work (working with affected communities)

In April, along with the “0th” on-the-spot check – see above – TI HU were also planning to meet several local stakeholders, and also record their experiences. To this end, TI HU had several meetings, and did all the preparatory work. However, due to the outbreak of the pandemic, TI HU had to postpone this activity as well.

Monitoring activities

ARST Project – Cagliari tramway

A great deal of cooperation with MA and consultation with the staff monitoring experts was carried out during the first 6 months of 2020, because the verification of the executive design in January 2020 had generated the discovery of shortcomings and incompleteness, such as to threaten the termination of the contract for serious defaults, if the contractor had not quickly fixed the found gaps.

Another element of conflict is the evaluation of the additional costs requested by the contractor in the executive design.

It must be said that there has been added some works, initially not foreseen in the definitive project; these were requested by regional and municipal bodies as prescriptions to be able to carry out the project, and not by the Contracting Authority which however considers these requests excessive and inadequate.

Many follow ups have been held with the experts and with the MA to understand the reasons for this seemingly unhealthy deadlock (impasse). TI IT staff monitoring also thinks of a meeting with the top management of the CA and of the Sardinia Region (Department of Transport and Traffic) to understand if there are deeper reasons than the technical ones to threaten rejection of works.

The COVID-19 emergency then intervened which further blocks the work. The impact was actually quite modest, because the construction site has not yet started (due to delays). The impact was only on the planning work, especially during the evaluation of the executive design. This was anyway done with smart working by the technical office officials, who worked slowly not having large screens at home to check maps and technical drawings. Furthermore ARST was not very structured, generally speaking, for any remote work with professional VPN (Virtual private network), but they did what they could by organizing with semi-professional sharing methods (e.g. Google drive). Normal resumption of works was started on 28.05.2020.

TI IT so tried to understand the impact of further delays, the MA was advised to carry out remote work (smart working), being now in the phase of planning controls and not actual works on the field.

TI IT also tried to understand the reasons for the accumulated problems, if it could be solved out and estimated the start of the construction site, also wishing to communicate it to the citizens, to keep high attention on the project.

TI IT made a video interview with the ARST Project Works Manager and TI IT staff monitoring (with experts included) which has been published on the website www.monitoraplati.it on April 2, 2020.

Following discussions, document exchanges, coverage of problems, improvement of the COVID-19 emergency situation and resumption of works, led to web calls with top staff of ARST (General Manager) on 30 June 2020, to hypothesize for the end of September the end of executive planning and start of works on site for the beginning of January 2021.

All these activities are recorded in the dossier document Phase 4.5 Executive Planning which will be published at the end of September with the closure of the "Executive Planning" works.

It should be noted that the unsolved completion of the executive design and lockdown for COVID-19 emergency activities led TI IT to think about how to use the best time and resources (experts) to make a knowledge contribution to the problems relating to contracts and delays. So, they decided, along with the experts monitoring staff, to launch a desk research. This started at the beginning of May (with the contribution of junior and senior experts in Law Procurements – Economy and Technical Engineering) as an in-depth analysis on procurement contracts in the railway sector in Italy of similar size and type (these are the integrated contracts: i.e. with 3 stages of initial, definitive, executive design) to understand if the major delays identified in this Cagliari project are exception or rule and how they could be resolved.

The research also includes an interview with 9 questions (written or via web call) to 9 stakeholders, including a list of regional and national technical professionals, administrative officials, public bodies and private companies, civic self-monitoring experts, with the presence of some officials of high level and national role.

In addition to this research on delays in other comparable national contracts and the interviews, recommendations from TI IT staff monitoring will be added: these sections will compose a booklet that will be published in September-October 2020.

Here follows a list of three main issues, so far resulted:

- Complicated regulatory fabric and little power on the part of the contracting authority to avoid taxation by the bodies concerned (prescriptions) and their very slow bureaucratic activity.
- Companies that are unable to meet the necessary objective quality criteria, lack of coordination, slowness to incorporate changes and skills lower than expected.
- Internal resources of the contracting authority not able to replace itself at the design level due to shortcomings of the companies that have been awarded the works.

All these points are material to build up the follow up activities for the second semester work plan.

Activities to communicate and promote Integrity Pacts

ARST Project – Cagliari tramway

At the beginning of the year, when works on the construction sites were scheduled to start in May 2020, TI IT decided to launch an event with citizenship to be held at the end of March 2020, at the ARTS headquarters or at the Sardinia Region headquarters, to present the forthcoming launch of the works (by MA and contractor), explanation of the reasons for the accumulated delays (by CA), what is the integrity pact that is accompanying the work (TI IT staff) and civic monitoring activities (TI IT staff).

Due to further accumulation of work delays (even before the emergency COVID-19) this initiative, which had already found wide participation by all the actors involved as speakers, was cancelled. TI IT rescheduled this later when the COVID-19 emergency will be completely re-entered and the declaration of the end of “emergency status” will be withdrawn.

Generally speaking, normal communication and dissemination activities such as social media, news and articles have been circulated, as put in evidence in the following tables.

Social accountability work (working with affected communities)

TI IT had foreseen 8 meetings (with face to face learning moments and on the field practical activities) to activate the citizens, following the Civic Monitoring School of Cagliari edition of the previous years.

Given the COVID-19 pandemic emergency and the consequent lockdown, TI IT have decided to move these people engagement activities online with a first batch of 5 webinars. The meetings were focused on issues concerning integrity, transparency and the fight against corruption in procurement. Starting from 3 June at 18.00, TI IT met every Tuesday and Thursday to have a chat with industry experts who will talk about their experiences, to understand how citizens can intervene and participate in public affairs and in the monitoring of public spending.

TI IT talked about many topics: from whistleblowing, with Andrea Franzoso whistleblower of FNM (Railway national company) and writer who discussed with TI Italy's expert, Giorgio Frascini; they also faced up the access to information topic, with the expert FOIA, Laura Carrer, Claudio Cesarano Program Specialist of OSIFE and Pierdaveide Pasotti Investigations and Research Unit Head of Greenpeace Italia; how to get open data with Andrea Borruso, President of OnData and Riccardo Saporiti, freelance journalist who collaborates with Infodata - Il Sole24Ore, Wired and VareseNews. TI IT director Davide Del Monte opens the meetings and together with Andrea Menapace, Director of CILD, they explained how important civic participation is and how it can be put into action. This first edition has been closed up with the interventions of the three Italian IP partners, that are carrying out the technical civic monitoring, along with the people engagement initiative and the communication ones, such as the website monitorappalti.it and who shared their experiences with citizens in the area, to better understand how to involve citizens on such sensitive issue like contracts are: Paola Dottor, for Transparency International Italia, Valeria Ferraris for Amapola Progetti and Cinzia Roma for ActionAid Italia.

These 5 webinars were substitutive of the “on the fields” labs TI IT had foreseen to engage and make aware all relevant societal actors (and especially citizens) on what a civic monitoring is, what are civic rights and what is the power that a citizen has to raise the voice. Webinars were quite well followed (an average of 30 participants for session) and TI IT found out the potential of web communication and interest raised up even from distance, given comments and messages of deepening some topics during and after the sessions.

Advocacy

Generally speaking, all projects activities have contributed the overall priorities of the OGP National Plan, such as Open Data, Transparency and Support to participation.

TI IT made a first round table meeting with the National Department of Public Service and ANAC (National Authority for Anticorruption) along with the IPs Italian partners (Actionaid and Amapola) on 18th of February. This has produced a first draft of guidelines to share with the national authorities on the field of IPs and Civic Monitoring. This activity has been stopped by the COVID-19 emergency and would keep alive the shared round table on the argument but depending on the willing of such national actors to give feedback and to collaborate. As of now there are no news on this.

Final report – Lombardy Region project

Description of the project monitored⁴

SUBJECT - One of the contracts selected by Transparency International Italia for the application of the Integrity Pact with civic monitoring is the "Technical Support Service for the lines of business of the Regional Operational Programme of the European Social Fund (POR FSE) 2014/2020, relating to Axis 1 "Employment" and Axis 3 "Education and training" in the Lombardy Region. The goal of the service contracted out is to support the implementation activities of the axes, equipping the regional administration with operational tools, skills and supports that permit the achievement of high levels of effectiveness, efficiency and execution in the use of the programme resources. The commissioning body (contracting authority) responsible for carrying out the project is the Lombardy Region.

FUNDING AND DURATION - The project, publicly launched via an online tender in November 2016, with funding of approximately 3 million Euros (50% from EU funds, 35% from national funds and the remaining 15 % from regional funding), will terminate in April 2021. The project is significant in terms of civic monitoring, both socially and economically, for the purpose of the programme itself, which is to promote employment among the most vulnerable categories and promote lifelong learning, increasing the chances of continuous improvement of occupational skills. The project contracted out concerns 133,700 unemployed, women and young people and a further 143,800 who possess a high school diploma or a job (and who need training).

CONTEXT - The Integrity Pact was born as an instrument to fight against corruption in the procurement sector from an idea by Transparency International that has been experimenting it since the 1990s. In Italy, the first pilot test took place in 2003 with the successful case Milan Municipality. The goal was to stem the phenomenon of "substantial links" not yet governed by the Procurement Code by requiring those participating in tenders to issue a form of declaration of their commitment to pursuing integrity and ensuring abstention from all types of irregular behaviors.

The Lombardy Region had already adopted the instrument of the Integrity Pact in 2014, although it was a model that did not yet include civic monitoring. Therefore, the Lombardy Region was already at an advanced stage of anti-corruption measures in 2016, when it took part in the pilot project of the EU DG Regio.

TENDER - Only two economic operators participated in the tender phase of the contract. This aspect was highlighted in our monitoring report called "Phase - Pre-Tender Activity" Indicator 3 page 13 http://www.monitorappalti.it/sites/default/files/Lombardia_Pre%20gara.pdf. The contracting authority replied that the very stringent set of skills stipulated in the analysis phase of the tender led to a small number of bidders taking part.

HISTORY OF THE PILOT PROJECT - Retracing the history of the pilot project, civic monitoring began in January 2016, the first physical meetings being held in July of the same year and ended in December 2019. In fact, due to the conclusion of the first phase of European funding, the decision was taken not to continue with the pilot project, partly because the extension (which was decided in the middle of the third year of implementation of civic monitoring) was focused on projects that still needed specific support, given that at the time they had not reached the execution stage. In the case of the Lombardy Region, on the other hand, the execution phase had already been reached; moreover, most of the recommendations and alleged irregularities were, upon the expiry of the initial funding, already resolved and there were no situations deemed precarious enough to require continued civic monitoring.

MAIN PURPOSE OF THE PILOT PROJECT - Transparency International Italia decided to undertake European experimentation, in the Lombardy Region, in order to increase awareness regarding the adoption of a tool that would protect both the contracting authority and bidders in the management of all public services, especially in ensuring the highest level of transparency in the use of citizens' money, in particular with respect to EU funds. Furthermore, a related, desirable and redefined change to the initial purpose of the experimentation, partly following preliminary meetings with the contracting authority, was the achievement of an improvement in reporting procedures for evaluating the effectiveness of the intervention during implementation.

⁴ <https://monitorappalti.it/progetto/assistenza-tecnica-al-fondo-sociale-europeo-2014-2020/>

Objectives and contents of the pilot Integrity Pact in Lombardy⁵

The decision to apply the Integrity Pacts to the project was guided by a series of contextual factors. Public procurement is considered one of the areas most affected by corruption in Italy. Especially in the context of projects financed using European Social Fund.

As explained at the end of the last paragraph, the objective was therefore to increase transparency in the management of EU funds, render the procedures more efficient, save money and improve the reputation of the authorities in coordinating subsidized services/works involving public spending.

The decision taken by the Lombardy Region was strategic both in terms of geographical affinity (Transparency International Italia is based in Milan) and because it closely monitored a contract in a public body of excellence in the field of transparency and integrity, unlike the other case study followed by us, taking place in a much more fragile and difficult context (The Light Underground Rail system in Cagliari, Sardinia).

The Integrity Pact was officially digitally signed by all parties on 21 July 2016 and included all the conditions proposed by Transparency International Italia as the monitoring body, to ensure a more transparent and responsible process, following the provision of the necessary reassurances to the authority that the association would not disclose confidential information without prior consultation.

Main features of the proposed IP were the following:

1. LEGALITY AND ANTI-CORRUPTION, i.e. obligations and fulfilments to guarantee the legality of the procedures, the execution of contracts, the prevention and combatting of conflicts of interest;
2. TRANSPARENCY AND COMMUNICATION, which include obligations and fulfilments for the advertising, transparency, communication and dissemination of information relating to the contracts awarded for the execution of the project contracted out;
3. SIMPLIFICATION AND INNOVATION, concern solutions that may facilitate the overcoming of critical aspects of the procedures activated and/or that require innovative tools for the pursuit of the aims of the Integrity Pact.

The data collected and systematized in the various monitoring reports is the result of periodic meetings and specific support involving experts in the sector, hired by Transparency International Italia for the occasion, on activities concerning transparency from the pre-tender to the execution phase and whose content is expressed in the 9 documents published on www.monitorappalti.it, the official site of the pilot project.

Further considerations were made following various in-depth interviews and surveys, which took place using specific survey generator software (such as Google Module) and via e-mail, as well as through the final meeting for the provision of feedback on the experience, held online on 15 May 2020.

Returning to the matter of the objectives of behavioural change, in particular related to those concerning the Theory of Change established by the common European project, our experimentation in the Lombardy Region can be viewed along the lines of achieving the following general objectives:

- Strengthening the ability for integrity of contracting authorities and bidders.
- Strengthening the prevention, detection and resolution of irregularities in targeted public procurement processes.
- Better enforcement of public procurement rules/policies by governments.

In the following paragraphs, we will try to explain how and why the following aims were partially achieved and, substantially, what was achieved can be summarised in the statements of intent which took place in the periodic meetings and, in part, are corroborated by a number of regional resolutions listed below, which can be summarised as follows:

- Prevention and contesting the phenomenon regarding the infiltration of organised crime;
- Prevention and repression of corruption and illegality in the public administration and in the behavior of economic operators;

⁵ <https://monitorappalti.it/progetto-europeo/>

- Raising awareness of the culture of legality, through the sharing of behavioral criteria oriented towards integrity, responsibility and transparency on both sides;
- Strengthening forms of civic engagement and, more generally, awareness of the role of civil society as the recipient of new reporting, transparency and communication tools.

Monitoring of the procurement project

Setting up the monitoring team, negotiation and signing of the Integrity Pact ⁶

As of January 2016, Transparency International Italia has focused on creating the monitoring team, featuring a project manager, a technical coordinator and a communications manager, together with the recruitment of a legal advisor. An open selection process was launched for this position via the website.

To ensure agreement among the main stakeholders on the content of the Integrity Pact, Transparency International Italia initiated several meetings with the contracting authority, especially in the initial months, which concluded in the April-May-June 2016 quarter, at the headquarters of the contracting authority on the premises of the Lombardy Region.

Initially, in its role as monitoring body, Transparency International Italia prepared the draft of the document for the Integrity Pact which was subsequently signed in July of the same year by Transparency, by the managing authority (Lombardy Region) and by the successful bidder (Ernst & Young Financial — Business Advisors SpA). However, the project contracted out also included a priori the obligation for all bidders to sign the Integrity Pact during the pre-tender phase. Indeed, all the bidders signed the Pact and included it as one of the documents required to participate in the tender; we have dedicated Indicator 3b on page 10 of the monitoring report document called "Phase 3 - Tender Activities" to this check, which is available online at the following address: http://www.monitorappalti.it/sites/default/files/Gara_Lombardia_1.pdf

The monitoring body initially took part in verifying the existence of this documentation, in particular, during the opening phase of the tenders on 13 February 2017 at 3.30 pm, in meeting room 1 on the 7th floor of the blue wing at the headquarters of the Lombardy Regional Council, located in Piazza Città della Lombardia, 1, Milan.

See the calendar defined for the main milestones, below:

- 10 January 2016: Transparency International Italia works on the draft of the Integrity Pact that shall be proposed to the Lombardy Region
- 21 July 2016: Integrity Pact signed
- 17 November 2016: Call for Tenders published
- 13 February 2017: Opening of Administrative Tenders and admission of bidders to the Tender
- 8 March 2017: Opening of Technical Tenders
- 10 May 2017: Opening of Economic Tenders and Communication of the results of the Judging Commission regarding the technical offers
- 13 June 2017: Communication of the decision due to technical anomaly of Tender scores
- 13 June 2017: Examination of competing bids and supporting evidence of anomalies provided in loco (hardcopy consultation) upon request of staff monitoring
- 21 July 2017: Awarding of the Tender to the successful bid
- 12 October 2017: Tender contract signed and start of the service
- 31 December 2019: End of monitoring (whereas the tender project shall continue to March 2021).

From the executive phase onwards, meetings were mainly managed remotely or through the legal consultant hired ad hoc for the project, who helped internal staff to provide useful recommendations for every phase, as detailed below.

With regard to the continuous exchange of communications, first of all the monitoring body and the contracting authority have created a digital tool for the secure sharing and rapid exchange of information, data and documents as required by the Integrity Pact. The contracting authority, the bidders, the contractor and the supply chain of associated companies have therefore provided, through a sharepoint platform set up by Transparency International Italia, all the information and documents

⁶ See the technical and project monitoring report (2016)

requested or deemed useful for the performance of monitoring activities, at times even in advance of the publication deadlines established by law.

In addition, the contracting authority, the bidders and the contractor have always copied the monitoring body on any communication between them concerning the tender project. The monitoring body was given the opportunity to participate in all meetings concerning the project and receive a copy of the related minutes, even in the event of non-participation for whatever reasons. The same was true for the confidential sessions of the Selection Committee that the Transparency International Italia could not attend; indeed, the National Procurement Code provides that the phase for defining the scores of the bids received and awarding the winner must be carried out behind closed doors, whereas the minutes must be rendered public, meaning that the association was able to view them.

Regarding "mass" communication, 6 monitoring summaries were published on www.monitorappalti.it (9 documents in total, including reports and summaries); the reported facts are below:

- 1) Needs Analysis and Design (January—October 2016). Nothing in particular to report.
- 2) Pre-Tender (September—November 2016). The monitor, it should be noted, proceeded to identify the anti-mafia legislation and anti-corruption training as a useful reference that should be enhanced, in the related indicator 6, pages 15-16 of the first dossier published.
- 3) Tender (2 publications: bid acquisitions and opening of tenders 17 November 2016 - 3 February 2017 and tender evaluation February - August 2017). The monitor, it should be noted, proceeded to identify the anti-corruption measures required from and recommended to, in particular, bidders in indicator 7, pages 17-18, in addition to the issue of Conflict of Interest in indicator 9, pages 20-21 of the second dossier published.
- 4) Post-tender and contracts (September 2017). Nothing in particular to report.
- 5) Execution of the tender/start of the consultancy service (October 2017 - December 2019, when civic monitoring was interrupted). The monitor, it should be noted, has proceeded to identify some Goodwill for Improvement in indicator 14, pages 33—34—35 of the last dossier produced.

Overall, as already mentioned, 9 dossier and summary documents of civic monitoring of the various phases of the tender project were published. The documents published contain about 10-12 control indicators related to the salient activities, divided into thematic areas such as:

- 1) Legality and Good Administration,
- 2) Transparency,
- 3) Regulatory Compliance,
- 4) Anti-corruption Activities,
- 5) Conflict of Interest,
- 6) Communication Activities,
- 7) Participation and Dissemination Activities,
- 8) Improvement drives by the monitoring staff.

During the works and their publication, the composition of the monitoring reports of the 5 phases of the project (Needs Analysis, Pre-Tender, Tender, Post-Tender and Contract, Execution of Tender/Start of services) allowed the generation of a series of annexes with the main results of the monitoring, found on www.monitorappalti.it, periodically analysing the scan of activities through a qualitative evaluation of the work done by the contracting authority and by the bidders, as well as by the executors of the works assigned.

In short, with regard to the findings of these reports, we can state that the issues of integrity, legality, good administration, transparency, communication, management of conflicts of interest and responses to the improvement drives provided by the monitoring body were handled very well, at least as far as the monitoring association is concerned. This is the considered overall opinion formed throughout the various stages and by the indicators, as mentioned above.

At times, a period of discussion and mutual understanding was necessary in the face of a *modus operandi* on the part of the contracting authority and bidders who were reluctant to change, as they felt that they were already on the right track in terms of legality and did not immediately see the new requests submitted for greater detail, precision and explanations as positive. The contracting authority was fully open to hosting observers at every meeting considered fundamental and critical to the success of civic monitoring, providing sufficient answers to all questions asked and a positive atmosphere of mutual collaboration.

As we will see below, given that the nature of the contract was difficult to communicate and not particularly engaging for ordinary citizens, the pilot project included a very limited number of dissemination events, which were only attended by professionals and technical stakeholders.

Lessons learned – Monitoring activities

- 1) Hiring legal consultants and experts in the procurement sector under the Integrity Pact should also take place before the monitoring activity begins. This would allow the monitoring team to better and more thoroughly plan the monitoring activity and identify potential risks that could arise from specific types of procurement and bidding processes.
- 2) Periodic communication with the parties involved, especially regarding a consultancy service, in the transparent management of procedures and in compliance with regulations, is also important for those who already adopt high standards of transparency, to improve them and render them even more effective.
- 3) Civic monitoring of a service contract requires a high level of legal/economic expertise and is difficult to communicate externally, which is why increasing the levels of effectiveness and efficiency of internal rather than external communication of the project is more desirable, as was the case in our experience.

Communication, citizen involvement and advocacy

The www.monitorappalti.it website and the social networks of Transparency International Italia⁷ were the main channels used for disseminating information on the pilot project.

Despite intense collaboration with both the contracting authority and the contracting company, the type of tender project (i.e. technical support for the development of employment and the spread of continuous training) does not have the kind of appeal that encourages civic participation, unlike great works, which have a very different direct visual and imaginary impact on daily life.

Therefore, in addition to technical project meetings and specific monitoring meetings, the pilot project included two public events:

1) The first was with the citizenship, on 22 September 2017, at Palazzo Lombardia in Milan. About 100 participants were invited, including: consulting companies, training organizations/companies, schools, other executing agencies, individuals facing difficulties, future users of the activities (through local associations), various taxpayers, other public administration bodies (especially for the vision of the "new" integrity pact proposed by Transparency International Italia). The project was illustrated by: the Deputy Head of Unit of the European Commission and a number of Officials of the Lombardy Region (councillors for Education, Contracts and Calls for Bids, Labour Policies), including Transparency International Italia's monitoring staff.

Specifically, the new text of the Integrity Pact proposed by the association, presented at the event and then subsequently declared "usable" by the Lombardy Region (at the last technical monitoring meeting held, as well as partially mentioned in regional resolution no.1751 2019⁸) had broader coverage, namely:

- All the phases of the project are taken into consideration according to the following characteristics:
 - Needs Analysis: who decided on the need for procurement?
 - Pre-Tender: have the Tender regulations and the components related to participation and inclusiveness been included?
 - Tender: is everything working "properly" concerning the bids, the tender opening phases and the criteria?
 - Tender: is the contract awarded to the successful bidder consistent with the project?
 - Execution: regarding the execution of the project as stipulated in the contract, are the timelines, costs and changes all in line with the plan?

⁷ See [Twitter](#) — [Facebook](#) — [LinkedIn](#)

⁸ See [Decree of the Regional Government 1751 2019](#)

- The necessary parties are:
 - Contracting authority: the client, government body or similar
 - Bidders: companies participating in the tender and execution of works
 - Monitor: the person who monitors and draws up reports
 - Civil Society as a whole (for which greater communication, transparency and participation is expected)

2) The second event was essentially aimed at public employees, held on 27 March 2019, at the municipality of Milan. The project was mentioned at the end of a training course whose final event took place on that occasion. The project was recalled as an "excellence" of anti-corruption practices and invitations were also extended to representatives of the other civic monitoring managed by Transparency International Italia, in Cagliari regarding the light underground rail system.

Lastly, no particular advocacy activities were carried out, although the last technical monitoring meeting of the pilot project extended an invitation to participate in a round table to define common national guidelines for Integrity Pacts (possibly with civic monitoring) requested by the association, in collaboration with the other Italian partners of the European project, to ANAC (National Anti-Corruption Authority) and to the Department of Public Administration, which saw its first round at the beginning of 2020. Work together on common principles to be adopted for tenders to ensure transparency, integrity and civic participation were interrupted by the COVID-19 emergency; contacts are expected to be resumed starting in September 2020.

Discussion on recommendations, irregularities and expected changes

RECOMMENDATIONS — Regarding the recommendations to ensure better levels of transparency and management of public funds, we carried out a total of 6, dividing them into Key Recommendations and Secondary Recommendations. Of these, 2 were considered "Key" and 4 "Secondary", but all of them obtained adequate feedback (i.e. they were clarified or accepted without particular problems). Of these, 3 (one of which was repeated twice, as explained below) were addressed to the contracting authority and 2 to the successful bidder, which then became the executor of the project.

The 6 main recommendations were, in chronological order:

- 1) The contracting authority publishes certain documents related to the tender on its website, in a dedicated section. Including, with regard to the tender commissioning body, the minutes of the commission, the names of the members and their curriculum vitae. We ask that the document relating to the declarations of absence of conflict of interest and the declaration of moral integrity (a document prepared by the monitoring staff) should also be published.

THE RECOMMENDATION is considered SECONDARY - The action taken is considered sufficient. Indeed, the contracting authority provided the documents.⁹

- 2) A request was submitted for an improvement in the communication of the commitment on corporate integrity on the website of the contracting authority. In particular, the improvement of two aspects: the adoption of a modern complaint reporting system and the publication of anti-corruption guidelines.

THE RECOMMENDATION is considered SECONDARY - The action taken is considered sufficient. Indeed, the contracting authority has taken into consideration launching a process to improve its integrity safeguards.

- 3) A request was made to perform in-depth analyses on tenders in which bids have the same economic value, regardless of the control body. Indeed, the economic proposals received by the two bidders were identical and apparently there was no procedure to manage such a situation.

In fact, a specific meeting was requested, examining the bids at the headquarters of the Lombardy Region, to verify the content of the proposals with the same economic value of 1,950,000 Euros

⁹ The documentation is no longer available on the Lombardy Region website (the activity dates back to 2016).

submitted by the two bidders, in particular with reference to the summary document called "Justification of the bid pursuant to Article 97 of Legislative Decree 50/2016"¹⁰.

This anomaly was defined as a "singularity" and reported to the Transparency and Anti-Corruption Manager of the Lombardy Region and the case was consequently forwarded to the ANAC (National Anti-Corruption Authority), which did not result in any particular actions or procedures.

The following elements were observed: 1. The two bids, Ernst & Young and Deloitte in a consortium with Consedin, were structurally very different, with marked specificities regarding each document, especially in terms of personnel costs and general costs; however, after further careful examination at the meeting mentioned above, they presented different estimates of the profit. 2. In both cases, the amount of the final bid of 1,950,000 Euros was then cited not as an end point, adding the expenses and expected profit items, but as a starting point after the expenses, subsequently obtaining the profit as a deduction of the expenses calculated from the ceiling of the bid indicated, following further careful examination.

THE RECOMMENDATION is considered KEY - The action taken is considered sufficient, given the verification by the contracting authority that contacted the ANAC (National Anti-Corruption Authority) and did not detect any specific irregularities.

4-5) Recommendations 4 and 5 are divided into:

4 a – a request was submitted to improve E&Y's quarterly progress reports by adding greater detail on the company staff doing the work. In particular, the request was to specify not only the working days aggregated by category (senior, junior, coordinator), but it was also recommended that details of the people and their documentation relating to declarations of absence of conflict of interest should be added, in the interests of greater reporting transparency. This recommendation was addressed to the contracting authority for publication on the Progress reports by the executor.

THE RECOMMENDATION is considered SECONDARY - The action taken is considered sufficient since, as will be explained below, the contracting authority identified a number of tools to allow more in-depth monitoring and reporting.

4 b – a request was submitted to improve E&Y's quarterly progress reports by adding greater detail on the company staff doing the work, in particular regarding on-site attendance or remote working information. This recommendation was addressed to the contracting authority for publication on the Progress reports by the executor. A request was submitted to control the physical access of the dedicated team to the offices in order to monitor, via a badge, the specific number of hours spent on the tendered contract, especially given the peculiarities of the consultancy which involved a large number of hours that needed to be worked at an office belonging to the Region.

THE RECOMMENDATION is considered KEY - The action taken is considered sufficient since, as will be explained below, the contracting authority created a number of tools to allow more in-depth monitoring and reporting, as specified below.

Therefore, the team was thereby recreated via the punching in/out records, according to the Progress meeting reports (Work Progress Status); for example:

—In the IV Progress meeting: a coordinator and a junior in a working week of the quarter

—In the V Progress meeting: a coordinator, a senior, two juniors and two additional profiles in one working week of the quarter

—In the VI Progress meeting: a coordinator, two seniors, two juniors and two additional profiles for a whole month of the quarter

The string with the query with the access data was sent (punching in/out date, institution, serial number, surname, name, badge, tax code, headquarters, gate, etc.). No issues regarding on-site attendance were found in the Progress meetings checked.

¹⁰ [Art.97 National Procurement Code](#)

- 6) The contracting authority was asked to verify the rotation of the members of the Lombardy Region Technical Committee for the 3 main phases of the tender project: "Requirements analysis documents", "Tender documents: notice and guidelines" and "Evaluation of tender bids". Particular attention was paid above all to the members of the Tender Commission, verifying that they did not participate in a prominent role in the preliminary and preparatory phases of the tender documents (with the sole exception of the chairperson of the Commission). These aspects fall within the scope of the conflict of interests and the rules on incompatibility/non-conferral of the members of the Commission.

THE RECOMMENDATION is considered SECONDARY - The action taken is considered sufficient.

IRREGULARITIES – The main alleged irregularities concern the various reporting interviews for recommendation 3 between the monitoring staff and the Lombardy Region Transparency Office, which sent the case to the National Anti-corruption Authority (ANAC) as well as to the national antitrust authority, for an opinion and due to a sense of duty. As mentioned, the final result is that there are no elements to proceed with a more in-depth investigation. All alleged irregularities have been clarified and subsequently archived.

EXPECTED CHANGES – In general, the project was in line with the initial forecasts of change, which, as mentioned above, concern, for all the parties involved, a change in awareness and ethical approach to integrity. The most important ones, which have been repeated over time, can be found below.

Returning to the Theory of Change that was proposed for defining the strategy of the European project, we hereby report what we believe are the most significant results obtained in terms of impact on the behaviour of the parties involved and monitored:

1. Strengthening the ability for integrity of contracting authorities and bidders. The recommendations made and the alleged irregularities reported were almost exclusively addressed to the contracting authority, with some exceptions for the bidders. All aimed at increasing the safeguards of integrity and the approach towards a culture of transparency which, as mentioned, were already clearly present.

2. Strengthening the prevention, detection and resolution of irregularities in targeted public procurement processes. As explained above, the irregularities reported saw adequate feedback from the competent authority (the anti-corruption office) which promptly contacted the ANAC and the national antitrust authority, agreeing that the "singularity" detected did not constitute a problem for the correct running of the tender project.

3. Better enforcement of public procurement rules/policies by governments. The recommendations set out above signal a clear intention for the implementation of clearer policies and shared (as well as regulated) approaches not only at the contracting authority (Lombardy Region) level, but also at national level thanks to the launch of the round table on guidelines for integrity in contracts with the ANAC, the Department of Public Administration and the Italian partners of the European pilot project for Integrity Pacts. All this was extended through an invitation to participate also sent to the Lombardy Region which, at the last project monitoring meeting, showed a willingness to analyse the subject in greater depth.

Main learnings from the proposed Integrity Pact model¹¹

Among the short-term results, the Lombardy Region considered the "popularity" of the Integrity Pact at national level, also and above all in other procurement sectors (especially infrastructure) as significant, because it will allow greater implementation of transparency and adaptation of the instrument according to the various situations. Furthermore, the overall satisfaction with the integrity pact model promoted by Transparency Italia is such that it was generally adopted by Decree of the Regional Government 1751 2019 (the new version, as explained above) and many indications present in the content of the Integrity Pact also included in the [Three-year Corruption Prevention Plan 2018—2020](#).

Furthermore, there has been word of mouth on the importance of other public administrations adopting the tool. For example, during the monitoring project there was an increase in the interest expressed by

¹¹ These statements are the result of a comparison that took place during the last technical monitoring of the pilot project, as mentioned several times in the text, as well as qualitative considerations regarding the monitoring, evaluation and learning tools provided by the pilot project.

corruption prevention managers, including on Integrity Pacts in many other public entities. Indeed, the association's Whistleblowing sector received a lot of interest by telephone and e-mail, prompted by the virtuous example of the Lombardy Region.

Generally speaking, the project carried out proved useful in providing the right degree of tension for transparency, thanks to continuous monitoring and the tendency, due to the publication of reports on www.monitorappalti.it, to use simplified language to explain the processes. Above all, it was important to adopt the different languages used in private organisations compared to the languages used in the public administration. Hence, the key word was clarity.

The Integrity Pact, as already mentioned, has been present in the Lombardy Region since 2014, so it really was nothing new. The document of the Integrity Pact needs to be signed by the potential supplier even before the actual tender, during enrollment in the official list of the Region's bidders. Renewal of the enrollment takes place again later in the tender phase, as was the case for the pilot project with "new" text as explained in this report.

Overall, the contribution received from the pilot project is positive, despite being the first time an Integrity Pact with civic monitoring was used by the Lombardy Region. Especially so for something as difficult to communicate to the public at large as the awarding of a contract for the purpose of a consultancy service (Technical Support for the development of initiatives in favour of employment and re-employment).

Obviously, evaluating the external impact of this collaboration was complex, because, as already mentioned several times, the type of contract for services would not result in the specific involvement of the population, other than through a private organisation (such as Transparency International Italia), which, using specific supports, helped to ensure the utmost transparency. In particular, regarding the procedure whose contributions and acquisition were positive.

Indeed, the request for greater detail on the contractor's team and the request for a physical check, via a badge, of the access of human resources to the offices to specifically monitor the hours worked on the tendered contract were very well received. This occurred, above all, due to the peculiarities of the consultancy, which required a large number of hours to be physically spent at an office belonging to the Region. As regards the reporting of activities, a greater level of detail concerning the type of work carried out was requested and consequently provided as the tender project progressed, which led to the emergence, by line of activity involving senior figures, junior figures and the working micro-team, of useful elements regarding the way in which work was organized and requests in general. It was a matter of using the database of accesses to the Region's offices to verify (via random samples) the accuracy of the data in the quarterly reports provided by the contractor. It involved the implementation of a mini sample-checking system to compare the access/punching in/out data and the attendance declared by project execution staff (the contractor); this was therefore the most innovative element not provided for directly in the contract, but reported by monitoring and by the Region, and which was well received and implemented. All of this was possible thanks to collaboration with the central office of the presidency, which manages the access of all internal and external personnel, and to a resource that the Region was able to add for the purpose of checking.

Another new aspect introduced following the recommendations made by Transparency International Italia is that the introduction of this mini-checking system, with respect to the correlation of the single micro-product with the reference person, can be considered part of an increase in the reporting effort required of the supplier and, therefore, in line with the change in procedural improvements that were an objective at the beginning of the project.

The other issue that was highlighted, relating to the identical economic proposal submitted by more than one competing supplier, was not considered a danger since, as was the case in the aforementioned contract, the choice ultimately came down to the best technical offer (especially since the fundamental criterion of the contract was based on the most economically advantageous proposal – achieved by the best quality/cost ratio, featuring a maximum of 70 points for the technical offer and a maximum 30 points for the economic proposal), whose contract offered excellent quality overall.

Regarding the three-year plan for the prevention of corruption and for transparency (PTPCT) 2020—2022, it was important to acknowledge the results of the project (especially concerning the contents conveyed by it and by that found in the "new" Integrity Pact) for the purposes of the further

implementation of prevention measures. In particular, at this time, the issue of the implementation of control procedures in emergency and post-emergency situations is emerging. As is known, the difficulty is that of combining the effectiveness of checks and the speed of procedures.

Below are a number of considerations on the results obtained based on specific categories of analysis.

— **Negotiation of the Integrity pact:** some of the EU countries participating in the common European project did not know of the Integrity Pact; however, it was in Italy, above all in Lombardy where this instrument already has a history of use, is highly thought of and is quite widely disseminated. In the case of the Lombardy Region, no particular negotiation of the contents was needed because it was immediately accepted at the start of the pilot project in 2016.

— **Applicability:** it was possible to apply it as a mandatory part of the material required to participate in the tender by bidders involved in the process.

— **Funding:** on this matter, straight from the launch of the tender, the idea was to eventually be able to allocate part of the expenditure (a small percentage yet to be defined, although not more than 3% of the total budget allocated to each contract) estimated for the implementation of the project contracted out for civic monitoring, therefore directly from the income statement. However, nothing has been decided as yet and there is also the constraint represented by the Procurement code, which regulates all matters at national level and does not provide for any particular autonomy.

— **Implementation:** the Integrity Pact was carried out with the sharing and visibility of all data and the progress of the project by the Contracting Authority and the monitoring body as required by the Integrity Pact.

— **Monitoring:** as explained in all the previous content, civic monitoring took place through the transmission of data, meetings and the publication of 9 documents on www.monitorappalti.it

— **Involvement of citizens:** this was only possible via the website, through the publication of periodic reports and two public events which, however, were mainly attended by stakeholders. As already argued elsewhere, the type of contract for services is not particularly suited to dissemination or the participation of a wider audience, other than the parties involved in the new Integrity Pact, as already highlighted (main stakeholders, i.e. the bidders and the monitoring body).

— **Communication:** through news, reports and ad hoc posts on the main channels of the monitoring body.

Conclusions and sustainability of the Integrity Pact in the Lombardy Region

In conclusion, according to Transparency International Italia, the implementation of the pilot project in the Lombardy Region was successful overall. Although the monitored project was only relatively useful in expanding the already existing anti-corruption and integrity policies and procedures in the management of public tenders, it managed to achieve some strategic objectives, such as the overall increase in the awareness and approach regarding increasingly rigorous methods of control, including on contracts that are difficult to supervise and in which civic participation is difficult, such as those relating to consultancy services. Thanks also to the fact that the monitoring of the project contributed to the early identification and resolution of irregularities (in all cases considered tenuous) and to greater transparency in the procurement procedures of the Contracting Authority, the authorities in Lombardy further acknowledged the Integrity Pact involving civic monitoring and are willing to apply it on a broader level.

These are all positive signs for the future sustainability of the instrument in the Lombardy Region and it is possible to outline a few areas for future action based on them:

- **Design and application of Integrity Pact models with civic monitoring tailored to specific sectors.** Public procurement in different sectors requires different approaches to civic monitoring and different types of skills. For example, some of the problems encountered in the pilot project in the Lombardy Region could have been avoided by taking into account the need, for service procurement projects, to involve civic monitors and experts right from the planning stage of the contract itself, to try to enhance communication as much as possible, even if the nature of the contract itself and its

supervision requires elevated technical skills that excludes tout court involvement. Therefore, it is necessary to develop multiple Integrity Pact models tailored to sectors.

- Innovative ideas for the financial sustainability of the Integrity Pact model in the Lombardy Region and transferable to the national level. The experience of the Integrity Pact with civic monitoring in Italy shows that there are many ways to do this. For example, the government and, more in general, contracting authorities could consider allocating some of the funds available for procurement to civic monitoring based on the expected benefits to society and the level of risk of corruption. All of the above together with precise budget planning, which would see a sum allocated to civic monitoring not exceeding 3% of the overall contract amount and specific methods depending on the type and sector of application of the contract. Although the details and feasibility of such spending lines need to be discussed in more detail, it is important that all funds made available for civic monitoring be subject to public scrutiny to avoid issues relating to independence.

- Transferability of the Integrity Pact with civic monitoring in the Lombardy Region to other procurement experiences. Transparency International Italia, as already reported, has a nascent collaboration for the publication of National Guidelines for the application of Integrity Pacts in Italy with the ANAC (National Anti-Corruption Authority) and the Department of Public Administration, in which the Lombardy Region could participate in its capacity as an expert body or testimonial at the round table. The Lombardy Region has nevertheless expressed an interest in collaborating on the initiatives to be developed with the ANAC, the Public Sector and other Regions. In the future, considerations can be made regarding the possible application of a more complete version of Integrity Pacts, evaluating their application to initiatives of great importance and economic impact for the regional territory.

During the call at the end of the project with the officials of the Lombardy Region, it must be said that there was a consensus and approval for the work carried out by the monitoring staff of Transparency International Italia relating to the contributions provided on raising awareness on the aspects of communication and attention to transparency issues, while the technical structure of the EU DG Regio Integrity Pact with the monitoring body was also appreciated as a greater guarantee of control and reporting towards civil society. On the back of this positive feeling, we put forward a willingness to collaborate on important projects, such as future structural works for the Milan - Cortina d'Ampezzo 2026 Winter Olympics. While reaffirming their appreciation, the officials indicated that the decision-making chain is in the hands of high-ranking and other political authorities, not just under their responsibility, and we will therefore analyse how to put ourselves forward.

TI Latvia

Activities to communicate and promote Integrity Pacts

In February 2020, TI Latvia organized the conference [“Integrity Pacts for Safeguarding EU funds in Latvia and Europe: Lessons learned and challenges for the future”](#). The aim of the conference, which brought together Latvian and foreign experts from government and civil society, was to discuss the emerging results from the piloting of the IP in Latvia and other 11 European countries and generate concrete ideas for the future of citizen engagement in the implementation of EU Cohesion funds in Latvia post-2020.

As noted in the conference by a representative of the Central Financing and Contracting Agency (CFCA), which was the MA of the monitored Riga Tramline project the conference’s discussion, the IP pilot in Latvia provided added-value, by contributing to the early identification and resolution of irregularities and by bringing in independent technical experts who helped the MA and other public actors get insights on the procurement process and related technical aspects. As such, it can be a valuable tool in the monitoring of complex infrastructure projects in the future. At the same time, as noted by TI Latvia’s director, future IPs will need to focus more on understanding the political context and carry out advanced planning with regard to communication of the IP to the media and society.

Another key takeaway from the conference was that a “deeper” citizen engagement in procurement processes can bring many benefits to their implementation, especially when citizens are engaged already in the project planning and appraisal phase. This would contribute to increase the “sense of ownership” and avoid disputes that might complicate the process at later stages, as it happened in the IP pilot in Latvia, where civic groups contested plans for the development of the tramline. At the same time, it is important that the government provides meaningful and easy ways for citizens to monitor procurement processes. In this endeavor, it will be essential to build both local officials’ expertise in involving citizens and civil society capacity in monitoring the implementation of public procurement projects.

For the first months of 2020, TI Latvia also planned to carry out a “IP National Roadshow” together with the Procurement Monitoring Bureau as part of the first commitment contained in Latvia’s 4th National Open Government Partnership (OGP) Action Plan (2020-21). This involved four seminars across Latvia’s regions to disseminate information about the IP, the new procurement document package, the OGP Commitment and education about red flags in procurement that should be reported through the government’s whistle-blowing channel. However, due to the outbreak of the COVID-19 pandemic, it was not possible to physically carry out the activity. To mitigate the problem, at the end of April 2020, TI Latvia and the PMB organized a [webinar](#) targeting participants from all Latvia’s municipalities.

In May 2020, TI Latvia also developed a concise guide on civic monitoring of public procurement, aimed at raising awareness among practitioners in civil society and the public sector about the IPs and facilitate their implementation in Latvian municipalities. The Guide, which was published in June 2020 in both Latvian and English language, provides a comprehensive overview of the main phases of the implementation of an IP, and it is meant to be used as an “entry point” to more detailed resources developed by Transparency International in the topic. It also provides practical examples and lessons learned from the IP pilot in Latvia.

Advocacy

Throughout April and May 2020, TI Latvia carried out the final assessment of the results of the IP piloting in Latvia. This included mapping the changes achieved throughout the project, identifying the main lessons learned, and assess the adaptability and sustainability of the IP tool in Latvia. Overall, in the opinion of TI Latvia, the project was successful taking into consideration the complications emerged during the implementation. While monitoring activities contributed to the identification and resolution of irregularities and increased transparency in the CA’s procurement practices, Latvian authorities are now more acquainted with the IP tool and willing to apply it more broadly in Latvia.

Based on the assessment of the project, TI Latvia developed a number of key recommendations for the government and civil society in Latvia in three key points:

- 1) Improvement of the public procurement system through i) involvement of independent expertise in the appraisal phase of large infrastructure project; ii) compulsory whistle-blowing mechanisms for EU-funded projects; iii) introduction of measures to increase foreign competition in areas where domestic supply is scarce (i.e. tramline construction); iv) adoption of international open data standards covering the whole procurement cycle;
- 2) Elaboration and/or application of IP models tailored to the specific sector in which they are applied;
- 3) Capacity-building of civil society in procurement monitoring, including creation of a “digital marketplace” aimed at matching demand and supply for civic monitoring and independent technical expertise, and elaboration of innovative methods to ensure the financial sustainability of the model.

While recommendations under point 1) will be sent to the Prime Minister and other relevant government authorities in the form of an official letter, the assessment of the project and other recommendations were included in a final public report which will be published on TI Latvia’s webpage at the beginning of July 2020. In addition, TI Latvia, in cooperation with the PMB and the legal consultant hired for the IP project, has finalized the elaboration of a procurement “document package” whose purpose is to help municipalities to organize open procurements for services, construction works and deliveries according to the Latvian law. At the time of the writing of this report, TI Latvia is still waiting for final authorisation from the PMB concerning the publication of the package, which is expected to take place in the first week of July 2020. The procurement document package will be published both on TI Latvia’s and the PMB’s webpage.

Final narrative report

Description of the monitored project¹²

The procurement chosen for the application of the Integrity Pacts pilot in Latvia was the “**Development of Riga Tram Infrastructure**”, whose goal was to **improve traffic viability in the Skanste district**, situated in the north-west part of Riga, **and contribute to its development**. The **Contracting Authority (CA)** in charge of carrying out the project was the **municipal enterprise “Rīgas Satiksme” (RS)**, while the **Managing Authority (MA)** was the “**Central Contracting and Finance Agency**” (**CFLA**), under the supervision of the Ministry of Finance. The project, with a funding of around €100 million, was planned to run from 2016 until 2023.

Skanste has been considered one of the most promising neighborhoods in Riga. While its population has grown by 165% between 2006 and 2015 and it is forecasted to reach 11.500 in 2022, currently, about 7.000 people work in the area, with the figure projected to double by 2022. One of the main points of attraction of Skanste is its concentration of important venues for large-scale sports and entertainment events (i.e. Olympic Sports Center and Arena Riga). About half a million people visit Skanste every year, and with the planned development of new real estate, this number is expected to exceed 1 million.

Despite the expected development of the Skanste in terms of rise in population and job availability in the coming decade, there is still poor access to public transport and a lack of parking space for private transport. This has been a problem for residents and visitor, who have complained about the difficult mobility in the area, especially during large scale events. To solve the problem the monitored project aimed to significantly expand and renovate the tram infrastructure in the area, through the execution of the following works/procurements:

- Renovation of one section of the existing tram infrastructure (3 km) and construction of a new section (3,6 km);
- Purchase of 12 low-floor trams;
- Construction of 11 new tram stops, one new substation, contact network and power supply cables and local carriageways;
- Reconstruction of one substation and existing streets, relocation of engineering communications and development of traffic management system

Funding – The total funding allocated for the implementation of the project amounted to €123.854.000, resulting in a total eligible expenditure (after VAT) of €97.400.000. Out of these, **€65.669.331 (67,42%)** were provided by the **EU Cohesion funds**; **27.400.000 (28,13%)** by **RS as co-funding**; and **€4.330.669 (4,45%)** by the **State Budget**. In relation to the envisaged procurements, €51,84 million (53%) were destined to construction works; €42 million (43%) for the purchase of vehicles; €240.000 to the management of traffic, with additional €3,32 million allocated for related expensed.

Objectives of Integrity Pacts Latvia¹³

The choice to apply the Integrity Pacts to the project described above was driven by a number of contextual factors. Public procurement is considered one of the most vulnerable areas to corruption in Latvia, affected by problems such as favouritism in the awarding of public contracts and limited access to information about public procurement processes (often justified by the need to protect trade secrets). These problems are exacerbated by a lack of resources and capacity of the Procurement Monitoring Bureau (IUB) and a small and weak civil society in the country, which makes it difficult to ensure civic monitoring of public works.

The goal of the project “**Integrity Pacts Latvia**” was to contribute to the solution of these problems, by fostering **policy and institutional change in the public sector and behavior change in civil society**. In particular, the project aimed to achieve:

Better institutional processes and improved enforcement of policies. This involved: **1)** increased level of trust among the CA, the bidders and the public; **2)** increased transparency and accountability of the procurement process; and **3)** increased transparency and integrity performance among winning

¹² <https://www.esfondi.lv/es-fondu-projektu-mekletajs/project?number=4.5.1.1%2F16%2F1%2F002> ;
https://www.rigassatiksme.lv/files/rigas_tramvaju_infrastrukturat_attistiba_majaslapa_papildinats_e14df.pdf

¹³ See TI Latvia's 2017 planning document and its updated version elaborated in 2019

bidders. While the main strategy consisted in the monitoring of the procurement process, provision of recommendations and publication of monitoring reports, the key assumption was that an effective monitoring and accountable bidders would contribute to increasing public trust in the project where the IP is applied and increased value for money.

Policy adoption and amendment. The project also sought to increase the government's willingness to implement systemic reforms in public procurement, and in particular **a)** adoption of legislative measures for the broader application of the IP tool in Latvia; and **b)** introduction of a mandatory rule that would oblige municipalities to implement the Construction State office Web Database. This was to be achieved through awareness-raising in the course of the project and proactive consultation with authorities.

Behavioral change – This involved increasing the capacity and willingness of the expected beneficiaries to engage in procurement monitoring and report wrongdoings and was to be achieved through Communication and awareness-raising through press conferences, media articles and organization of public events. While the main objective was to advertise the benefits of the IP and explain the role that each party would play in it, the key underlying assumption was that well-informed citizens, bidders and CA would contribute to smooth and effective implementation of the project.

In 2019, following the corruption case that involved the CA and the mutated circumstances of the procurement process, TI Latvia updated its MEL document. This consisted in a shift from increasing integrity performance of the bidders (due to insufficient time to seek the change within the framework of the project) to enhancing the integrity capacity of the CA and Riga's Municipality's staff through trainings on procurement monitoring and whistle-blowing. Furthermore, TI Latvia planned to contribute to fairer competition by proposing reasonable experience criteria and technical requirements for participation in the 2nd and 3rd procurement bids.

Monitoring of the procurement project

Set-up of the monitoring team, negotiation and signature of the IP¹⁴

In the first months of 2016, TI Latvia set up the monitoring team for the IP project. This comprised a project manager, a project coordinator and a communication officer, all recruited from TI Latvia's internal staff, as well as a legal consultant with expertise in public procurement, hired in summer 2016, and a tramline construction expert, hired in June 2017.¹⁵ Both experts were recruited through an open tender announced on TI Latvia's website.¹⁶ Finding the latter was harder than expected, as there had been very few tramline constructions in Latvia in the last 30 years and due to the different technical characteristics of Riga's tramline system compared to those in Western Europe.

Throughout 2016, TI Latvia also carried out negotiations for the elaboration and signature of the IP Monitoring Agreement with Riga Traffic. To ensure agreement on the content of the IP document among key stakeholders, TI Latvia held more than 10 meetings with the CA the MA, the Procurement Monitoring Bureau (PMB), the Ministry of Transport and the Ministry of Finance. The Monitoring Agreement was officially signed on 25 November 2016.¹⁷

The Agreement stated TI Latvia's monitoring team's rights to attend all Commission meetings related to the tramline project, unrestricted access to all information and documentation, as well as the requirement for Riga Traffic to mandate winning bidders, including sub-contractors, to sign the IP. Initial disagreements in the negotiations with Riga Traffic over TI Latvia's right to access classified information were overcome with the signature, by each member of TI Latvia's monitoring team, of a binding agreement not to share confidential information on the procurement and consult with Riga Traffic in situations of uncertainty.

¹⁴ See TI Latvia's reports for the 1st and 2nd period (2016)

¹⁵ <https://delna.lv/announcement/delna-papildina-ekspertu-komisiju-ar-buvniecibas-ekspertiem-no-sia-cmb/>

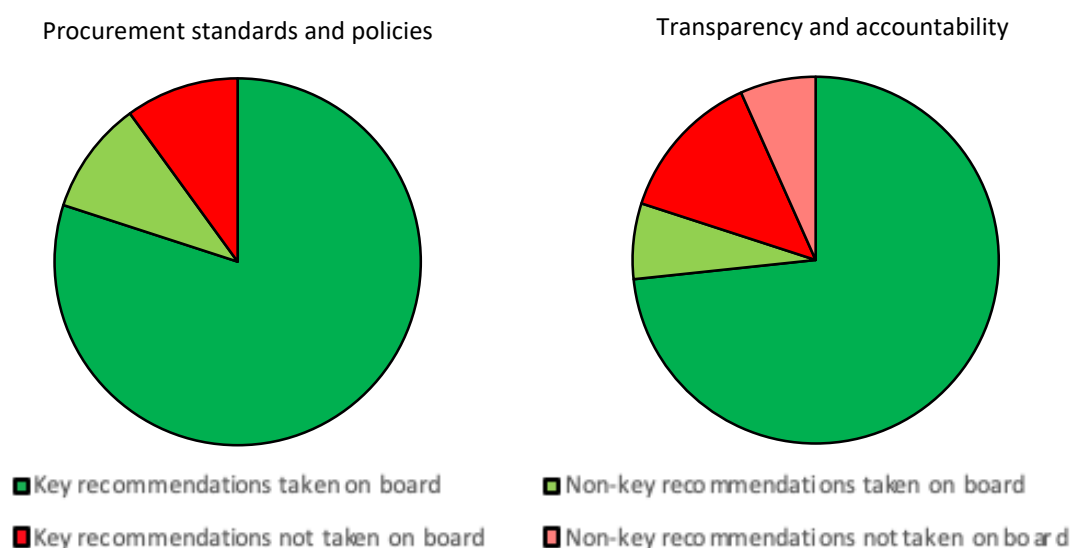
¹⁶ <https://delna.lv/lv/2017/05/18/iepirkums-konsultaciju-sniegsana-buvniecibas-jautajumos-integritates-pakta-projekta-ietvaros-2/>

¹⁷ https://delna.lv/wp-content/uploads/2016/12/RS_Delna_ligums_25.11.pdf

Summary of monitoring reports

From the signature of the IP up to the suspension of the project in May 2019, TI Latvia monitored four procurements and published three monitoring reports (all available on TI Latvia's website).¹⁸ The project was suspended three years before its planned end due to a criminal investigation launched against the CA due to alleged corrupt activity in 2013-2016, and the increased risks that this brought to the implementation of the project.

In the course of the monitoring, TI Latvia advanced a total of 25 recommendations (24 key, 3 non-key) to the CA. Out of these, 21 were adequately taken on-board and 4 were not adequately addressed. More in detail, 10 recommendations (9 key and 1 non-key) were aimed at improving the enforcement of public procurement standards and policies by the government. Of these, 9 out of 10 were taken on board. 15 recommendations (13 key, 2 non-key) were aimed at improving the level of transparency and accountability of the procurement process. Of these, 13 out of 16 were taken on board.



1st procurement – Negotiated Procedure for the Development of the Construction Project for the Renovation and Expansion of the Existing Tramline Infrastructure in Riga¹⁹

The tender for the 1st procurement was launched on 21 December 2016, but the process was cancelled after TI Latvia, which was not involved by Riga Traffic in the drafting of the procurement documents, identified irregularities pointing to the tailoring of the documents for one specific bidder and reported them to the PMB.²⁰ On 12 January, the PMB issued an opinion, specifying the criteria for the most economically advantageous tender evaluation possible, requesting Riga Traffic to cancel the procurement and re-draft the documents.²¹ The procurement was cancelled a few days afterwards, on 16 January.

The re-drafting of the tender documents saw a more active cooperation between TI Latvia's monitoring team and Riga Traffic. Following TI Latvia's recommendations, Riga Traffic made a scan of the tender documents available online (until then they were only available at Riga Traffic's premises) and translated basic information on the procurement in English to encourage participation from foreign firms.²² These good practices were adopted by Riga Traffic also in other procurements, including those not related to the monitored project.

A new procurement was announced at the end of July 2017. In the course of the bidding process, TI Latvia carried out due diligence on the applicant firms and their proposals and identified a potential document forgery. In fact, two bidders submitted a statement from the same designer, who

¹⁸ <https://delna.lv/en/integrity-pact/tender-archive/>

¹⁹ <https://delna.lv/lv/2018/07/03/sarunu-proceduras-par-buvprojekta-izstradi-jaunas-tramvaju-infrastruktur-as-posma-izbuvei-un-esosas-tramvaju-linijas-parbuvei-gaita/>

²⁰ <https://delna.lv/lv/2017/01/12/11952/>

²¹ https://delna.lv/wp-content/uploads/2017/01/Starpatzinums_RS_2016_34_KF_2-kopija.pdf

²² <https://www.rigassatiksme.lv/lv/par-mums/iepirkumi/sarunu-procedura-par-buvprojekta-izstradi-jaunas-tramvaju-infrastruktur-as-posma-izbuvei-un-esosas-tramvaju-linijas-parbuvei-1/>

subsequently stated that he had consented to participate in only one of the bids. Following Riga Traffic's failure to act on the case, TI Latvia approached law enforcement authorities asking for investigation, but the case was subsequently dismissed as it lacked standing in the Criminal Code.²³

Towards the end of September 2017, the Procurement Commission opened the proposals submitted by three bidders ("BRD projekts", "REM PRO" and "Vektors T"). During the evaluation period, the bidders were asked to provide additional information about their proposals and answer questions at nine supplemental meetings held from September 2017 to June 2018. Before making the final decision about the winner, the PMB was involved for a final verification of the correctness of the proceedings. On 14 June 2018, Riga Traffic took the final decision to assign the procurement to "BRD projekts".

After the announcement of the winning bidder, TI Latvia's monitoring team worked with the procurement commission to improve the quality of the final contract by introducing clauses to ensure the timely and accountable delivery of the procurement, including specific conditions for the final payment, deadlines for submission of project reports and penalties for delays at each stage of the project. The recommendations were all included in the final contract, worth €2.054.388, which was signed in June 2018. Thereafter, the winner also signed the Integrity Pact.²⁴

2nd procurement – Negotiated procedure for the supply of low-floor trams.²⁵

The second procurement concerned the negotiated procedure for the supply of 12 energy-efficient low-floor trams. While working on the development of the technical specifications, TI Latvia identified a number of requirements, related to specific technical characteristics of the trams to be delivered and criteria for the evaluation of the proposal, which were deemed to excessively restrict competition. TI Latvia provided recommendations to RS to improve them and asked for clarification on the requirements, but RS failed to provide an evidence-based justification, making only minor modifications to the documentation.²⁶

The tender was announced on 11 April 2018 and two bidders sent their application: *Škoda Transportation* (Czech Republic) and *Stadler* (Poland). During the application period, TI Latvia could observe a case of preferential treatment towards a specific bidder. In fact, approximately two weeks before the deadline, Stadler requested Riga Satiksme to extend the application period, but the request was denied. However, one week after, Škoda sent the same request and it was accepted. TI Latvia recommended Riga Traffic to promptly inform the other bidders, but RS took no action. TI Latvia itself had to notify Stadler.²⁷

The procurement was suspended in January 2019 following investigations on the corruption case involving Riga Traffic (see below). At the end of February 2019 TI Latvia published the monitoring report, which emphasised the problems with technical specifications and how these related to the ongoing corruption case. The report was met with harsh criticism by Riga Traffic, which also disseminated false statements about TI Latvia's failure to point out potential irregularities when they first arose.²⁸ Part of the statements were partially withdrawn after TI Latvia accused Riga Traffic of defamation.

3rd procurement – "Reconstruction of Riga tram infrastructure"²⁹

The third procurement consisted in a closed tender for the "Reconstruction of Riga Tram Infrastructure". During the drafting of the tender documents, TI Latvia noted the existence of a complex bureaucratic process which, despite the EU's single market, foreign suppliers have to go through in order to obtain the necessary clearances to carry out construction work in Latvia. In TI Latvia's opinion, this, together with other restrictive criteria concerning bidders' years of experience in the field and km of railways built, were undermining fair competition and limiting the possibility to obtain the best value for money.³⁰

To address these problems, TI Latvia recommended easing the accreditation process for foreign bidders to participate in the tender and removing other criteria restricting the possibility of participation

²³ <https://delna.lv/lv/2018/07/03/sarunu-proceduras-par-buvprojekta-izstradi-jaunas-tramvaju-infrastrukturas-posma-izbuvei-un-esosas-tramvaju-linijas-parbuvei-gaita/>

²⁴ Ibid.

²⁵ <https://delna.lv/lv/2019/02/25/parskats-par-rigas-satiksmes-istenota-zemas-gridas-tramvaju-iepirkuma-uzraudzibu/>

²⁶ <https://delna.lv/lv/2019/02/25/parskats-par-rigas-satiksmes-istenota-zemas-gridas-tramvaju-iepirkuma-uzraudzibu/>

²⁷ Ibid.

²⁸ <https://delna.lv/lv/2019/03/05/delna-prasa-rigas-satiksmei-atsaukt-nepatiesas-zinas/>

²⁹ <https://delna.lv/lv/2019/08/15/skanstes-tramvaja-projekta-uzraudziba-kopsavilkums-par-delnas-paveikto/>

³⁰ <https://delna.lv/lv/2019/08/15/skanstes-tramvaja-projekta-uzraudziba-kopsavilkums-par-delnas-paveikto/>

by younger companies but with proven professional capability and application of environmentally sustainable practices. Riga Traffic took on board almost all of these recommendations. The tender was announced on 12 December 2018, but it was cancelled in mid-January following investigations on the corruption case involving Riga Traffic.

Riga Traffic corruption case and suspension of the project

In December 2018, the Corruption Prevention and Combating Bureau (KNAB) started criminal proceedings against Riga Traffic as well as Polish and Czech companies for corruption and money laundering in three procurements taking place between 2013-2016 and worth over €270 million.³¹ According to the media, between €13-20 million could have been paid in bribes (average of 5-7% for every vehicle delivered). The media reported that the technical parameters were probably used as a restrictive mechanism in the procurement of trams, thus substantiating the concerns raised by TI Latvia in the course of the monitoring.³²

After the corruption case and the appointment of a new Board of Riga Traffic, TI Latvia worked with the new Chairman, the CFCA, the PMB and the Ministry of Finance, informing them about potential corruption and other risks of the project. Subsequently, the Chairman of the Board decided to appoint a new procurement commission, with TI Latvia as monitor, with the task of re-writing the technical specifications for the procurements on low-floor trams and reconstruction of the Riga Tram infrastructure.

In February 2019, TI Latvia reiterated to Riga Traffic the concerns about the restrictive technical requirements identified in the course of the 2nd and 3rd procurements, recommending amending the documents to make the process more open for all competitors. However, little changed compared to the situation before the cancellation of the procurements the previous month, as only minor modifications were made to the tender documents.

On **2 May 2019**, on the basis of unacceptably high corruption risks and bad project management, the CFCA unilaterally decided to terminate of the contract with Riga Traffic, mandating the latter to return €451.304 in EU funds that the latter had received until then.³³ However, Riga Traffic refused to return the funds on the basis that these were related to eligible costs. At the time of the writing of this report (May 2020), the matter had not yet been settled.

Lessons learned – Monitoring activity

- 1)** The recruitment of legal consultant and experts in the subject area of the procurement under the IP should take place even before the monitoring exercise has started. This would allow the monitoring team to better and more thoroughly plan the monitoring exercise and identify potential risks that might arise from specific types of procurement and bidding processes.
- 2)** In cases in which the procuring entity does not adequately address recommendations and identified irregularities, the monitor must be ready to step in to uphold the principles of transparency and fair competition in the procurement, including ensuring that all bidders are treated fairly and are aware of any modification to the tender rules (i.e. deadlines for submission) or change of proposal format)
- 3)** When encountering suspicious technical requirements and behaviors that might signal misconduct from the CA or the bidders, the monitor must alert oversight authorities and other public actors involved in the procurement and cooperate with them to resolve the problems. This includes specifying the corruption risks and seeking clarification and guidance on possibilities offered by the legal framework to address the issues.

³¹ <https://www.lsm.lv/raksts/zinas/latvija/knab-rigas-satiksmes-lieta-par-polijas-un-cehijas-uznemumu-vienosanos-un-kukulosanu.a302904/>

³² <https://www.lsm.lv/raksts/zinas/ekonomika/kapec-vajag-motoru-pie-katra-ritena-aizliegtais-panemiens-peta-rigas-tramvaju-iepirkumu.a307550/>

³³ <https://delna.lv/lv/2019/08/15/skanstes-tramvaja-projekta-uzraudziba-kopsavilkums-par-delnas-paveikto/>

Communication, citizen engagement and advocacy

Politicization of the project and challenges in communication about IP³⁴

Throughout its implementation, the monitored project was characterized by political disputes, and the functions of the IP and the role of TI Latvia were often contested and misunderstood by the media and other actors, also due to the proliferation of information on the project by different interest groups, often with contrasting views about the social benefits and value of the project. Notably, the journalists' attention mostly focused on the amount of funding provided to TI Latvia for the monitoring and its role in the decision-making process about the tram's location, rather than on the expected benefits of the IP project as such.³⁵

In response to these criticisms, TI Latvia made considerable efforts to educate and inform the general public about the Integrity Pacts and clarify issues related to the role of TI Latvia as monitor and the funding required to carry out monitoring activities. These activities included creating an interactive timeline of the project on TI Latvia's webpage, creating a FAQ section and publishing all the relevant information concerning the hiring of the law consultant and engineering expert.³⁶

Over the 5-year period, a number of interviews were published in main national media as well as other outlets for public procurement specialists in Latvia, featuring IP Latvia's project manager. The interviews focused on the added-value of the IP in the procurement process as well as emerging results and conclusion from the IP pilot in Latvia.

There are three main lessons with regard to communication on the IP: 1) the need to create comprehensive, simple and clear informational material about the IP in order to explain its objectives and expected benefits to the general public; 2) the need for pre-emptive engagement of the media aimed at clarifying the project objectives, the sources of funding and TI Latvia's role in the monitoring of the procurement; 3) the need for a more thorough mapping of risks related to attacks from opponents of the project, and an adequate allocation of project resources for legal expenses to defend the monitor from such attacks.

Engagement of affected communities

Citizen engagement in the monitored project was difficult and fraught with tensions, mostly related to the location of the new tramline. A civic group named "The Graveyard's friends" vigorously opposed the construction of the tramline and the plans to pass through an historically important cemetery. At first, the group even believed that TI Latvia was "colluding" with the CA and had decision-making powers concerning the location of the tramline. The problem was exacerbated by the CA's failure to engage with expected beneficiaries and civic groups flagging their concerns.

Despite at the beginning of the project TI Latvia recommended the CA to broadly advertise the project through existing platforms (i.e. banners in buses, trams and stops) and engage citizens, the CA did not take any meaningful action in this regard. To address the situation, TI Latvia carried out a number of meetings with the group, aimed at clarifying the goals of the IP and how citizens could contribute to the monitoring and reporting of irregularities through whistle-blowing channels. Though such meetings achieved only a limited buy-in from the group, they helped easing tensions with regard to the role of TI Latvia.³⁷

Two further episodes reinforced the perception that municipal authorities had serious shortcomings with regard to citizen engagement. In December 2018, the Riga City Construction Board issued the construction permits for all stages of the monitored project without any prior public consultation with citizens in the area. This was justified on the grounds that the Construction Law does not require it.³⁸ Following the episode, the Graveyard Friends and TI Latvia organized a meeting to discuss the issue

³⁴ See TI Latvia's report for the 1st and 2nd period (2016)

³⁵ See for example <http://www.delfi.lv/news/national/politics/delna-par-skanstes-tramvaja-linijas-projekta-uzraudzibu-sanems-300-000-eiro.d?id=48218683>
<http://puaro.lv/tiesiskums/delna-sanems-300-000-eiro-no-kapu-tramvaja-projekta/>
<http://lr1.lsm.lv/lv/raksts/pecpusdiena/delna-uzraudzis-skanstes-tramvaja-linijas-izbuvi.a77614/>
<http://www.kasjauns.lv/lv/zinas/237943/85-eiro-par-viena-sliezu-metra-uzraudzibu-projekta-vel-nav-bet-delna-jau-agitejot-par-kapu-tramvaju>

³⁶ https://delna.lv/lv/intergritates_pakts_2016/

³⁷ See TI Latvia's report for the 3rd, 4th, 5th and 6th period

³⁸ <https://delna.lv/lv/2018/12/18/atbildigi-ir-rikot-publisko-apsriesanu/>

inviting the CA and the winning bidder. However, while the former did not respond, the latter did not attend due to its “subordination by contract” to the CA.

The **main lesson learned** is that for complex infrastructure projects that affect the large areas and the location of important sites, affected communities need to be engaged in the early stages of project planning and need identification. This would increase public trust, as it would enhance the sense of ownership by citizens, and it would also help to prevent the emergence of protest groups that could obstacle the smooth execution of public works. Another key lesson is that the independent monitor can be a broker between the CA and affected communities, provided that the both of the parties are genuinely interested.

Advocacy

Advocacy activities undertaken in the course of the project were relatively successful, also thanks to the government’s commitment to improve the effectiveness and transparency of the procurement system. While 2017 saw the set-up of the new centralized public procurement database by the PMB, in 2018 the government introduced a mandatory rule, obliging municipalities to implement the Construction State Office Web Database. In the period leading up to the new measures, TI Latvia played a supporting role by carrying out consultations with the relevant authorities and providing recommendations for the successful implementation.³⁹

In June 2018, TI Latvia organized a public discussion on the IP at the democracy festival “LAMPA” (an event held annually in the Latvian city of Cēsis with over 10.000 participants), with the PMB, a representative from the construction sector, as well as a representative from TI Ukraine presenting the open procurement database “ProZorro”. Discussions with festival attendees about the IPs and the monitoring of Riga Traffic procurements continues in TI Latvia’s festival tent over a period of two days.

After the suspension of the monitored project in May 2019, TI Latvia’s advocacy efforts focused on the long-term sustainability of the IP tool in Latvia and its piloting at the local level. Amongst other things, TI Latvia presented the IP to local activists and citizens attending its annual Summer School and organized a number on public events and two conferences on the importance of citizen engagement and monitoring in the implementation of the EU Cohesion Policy.⁴⁰ In addition, with the support of the legal consultant hired for the project and the PMB, TI Latvia developed a procurement “document package” to be used for the organization of municipal procurements.

Furthermore, TI Latvia participated in the activities of the working group in charge of elaborating Latvia’s 4th National Action Plan for the Open Government Partnership, advocating for the inclusion of a commitment that would increase the transparency of public contracting and the application of the IP on a broader scale in Latvia. As a result of the successful cooperation, the 1st commitment of the new action plan, to be implemented in 2020-21, includes the publication of structured data on contracts by the CFLA (MA) and the piloting of the IPs in Latvia’s region.⁴¹

For the first months of 2020, TI Latvia planned to carry out four seminars together with the PMB across Latvia’s regions to disseminate information about the IP, the new procurement document package, the OGP Commitment and education about red flags in procurement that should be reported through the government’s whistle-blowing channel. However, due to the outbreak of the COVID-19 pandemic, it was not possible to physically carry out the activity. To mitigate the problem, at the end of April 2020, TI Latvia and the PMB organized a Webinar targeting participants from all Latvia’s municipalities.⁴²

The main lesson learned in terms of advocacy is that political will and commitment for the central government is an essential precondition in the adoption of the measures proposed. Even though it was not possible to assess the impact of the Integrity Pact throughout the whole procurement cycle due to the anticipated termination, in a survey carried out after the termination of the monitoring government officials did recognize the added value of the Integrity Pact, and the need for broader implementation

³⁹ See TI Latvia’s report for the 4th, 5th and 6th period

⁴⁰ <https://delna.lv/lv/2019/09/10/delnas-vasaras-skolas-dalibnieki-dalas-iespaidos/>

⁴¹ https://www.opengovpartnership.org/wp-content/uploads/2020/01/Latvia_Action-Plan_2019-2021_EN.pdf

⁴² <https://delna.lv/lv/2020/04/24/28-aprili-vebinars-publiskie-iepirkumi-latvijas-pasvaldibas-un-sabiedribas-iesaiste-iepirkumu-monitoresana/>

at the local level. This will make it all the more important to monitor and evaluate the further results of the piloting that will take place through the OGP.

Discussion on the envisaged changes

Increased level of trust among targeted CA, bidders and the general public. As of the end of the project, there is not enough supporting evidence demonstrating the achievement of this objective. Despite an improved cooperation after the re-launch of the 1st procurement, the tensions surrounding the monitoring of the 2nd and 3rd procurement, as well as the corruption case have undermined cooperation and trust between TI Latvia and the CA. This was evidenced by the dissemination of false statements by the CA on the 3rd monitoring report and the subsequent accusation of defamation by TI Latvia.

On a more positive note, the **identification of irregularities** by TI Latvia in the first phase of the project and the fruitful cooperation with the PMB, the MA and the Ministry of Finance in addressing them has contributed to the recognition of the value of the IP among these actors, who in a survey carried out at the end of the monitoring also appreciated TI Latvia's work, the involvement of independent experts and the usefulness of the information and recommendations provided.

Increased transparency of the monitored procurement process. This objective was achieved. In the re-drafting of the technical specifications in the first procurement, TI Latvia obtained the publication of the project's document on the CA's webpage, and the translation of key information in English, and the same practice was applied in the following procurements, including those not related to the monitored project. Compared to the initial situation, where the documents were only available at the CA's premises, this was a good step forward, and the change can be considered as sustainable.

Increased transparency and integrity performance of winning bidders. As of the end of the project, there is no evidence to claim that this change was achieved, also because the objective was "dropped" at the beginning of 2019 due to insufficient time for its achievement within the framework of the project. The recommendations provided by TI Latvia in the 1st procurement to ensure the effective delivery of the work by the winning bidder, who also signed the Integrity Pact, might have created the preconditions for increased transparency and integrity, but it was impossible to ascertain this due to the anticipated termination of the monitoring.

Increased integrity capacity of the CA. There is no supporting evidence to claim that this change, introduced only at the beginning of 2019, was achieved. The envisaged trainings with the CA and the Riga Municipality Transport Department staff, planned to take place in spring 2019, were not carried out due to the concomitant investigation on the CA and the proceedings for the suspension of the project. As such, it is not possible to ascertain whether the integrity capacity of the CA has increased.

Fairer competition. Similar to the change above, there is not enough evidence that the project contributed to this change as formulated at the beginning of 2019. The re-drafting of the documents for the 2nd and 3rd procurement following their cancellation in January 2019 did not see any meaningful modification in this sense compared to those drafted in 2018, and was hampered by the investigation on the CA. The anticipated termination of the project made it impossible to assess this change.

Public authorities' willingness to implement systemic reforms in public procurement. In the view of TI Latvia, this objective was largely achieved. In the course of the project, the government has introduced a mandatory rule for municipalities to use the centralized database on construction work and has included a commitment in the OGP 4th National Action Plan which aims to pilot the Integrity Pacts in Latvia's municipalities and publish structured data on public contracts. While the release of the databases was part of broader government efforts to improve the system, the commitment to further pilot the IP in Latvia was a direct result of the IP project.

Increased capacity and willingness of affected communities to engage in procurement monitoring and report wrongdoings. There is no sufficient evidence to claim that this change was achieved. Though constant engagement with civic groups contesting the project helped clarify the objectives of the IP and the role of TI Latvia and contributed to limited buy-in by these stakeholders in the monitoring of the construction phase, the achievement of this objective could not be assessed due to the anticipated termination of the project.

Main learnings on the Integrity Pacts model

In the opinion of TI Latvia, the IP tool is generally applicable to the Latvian context and the appreciation of the tool by public authorities is encouraging in this sense. At the same time, this pilot has shown that mutual understanding among different actors about the social and economic benefits of a specific project, as well as genuine willingness by contracting authorities to engage with citizens, will be essential preconditions for the successful implementation of future IPs. At the same time, a more thorough and “realistic” analysis of the political context by the monitor will be necessary to avoid unexpected problems in the implementation.

Financing for the project was largely adequate, though recruitment of experts in tramline construction was partially made difficult by the limited proportion of the budget allocated for this purpose (11%), though it must be noted that the circumstances did not allow to carry out an assessment of the overall cost-effectiveness of the monitoring work. In future IPs, especially those related to complex infrastructure projects, a more substantial amount of funds should be allocated to ensure the best expertise possible. At the same time, due consideration will need to be given to potential legal expenses to defend the monitor from political attacks.

In terms of negotiation of the pact, future IPs will need to take into account pre-existing practices and culture within the CA, as well as possible politicization, surrounding the disclosure of information. Though initial reluctance from with the CA concerning TI Latvia’s degree of access to confidential information was smoothed out through reassurances over its reuse and did not constitute a problem in the implementation of the project, more attention should be paid on this aspect in the future. In particular, the monitor will need to present a detailed list of data points to be accessed and clarify their confidentiality with the CA before the IP is signed.

With regard to monitoring, this pilot demonstrated the necessity to recruit legal consultants and technical experts even before the IP is signed. This would help the monitoring team to carry out a more thorough planning of the monitoring activities and a more comprehensive mapping of risks related to technical specifications. This is particularly important on large-scale infrastructure projects, where potential corruption risks may present themselves already in the appraisal phase of the project. Indeed, as shown by the CA’s corruption case, technical requirements included in the appraisal of the tram project might have enabled collusive bidding and bribery.

The main takeaway on citizen engagement is that for projects affecting a large number of people across large areas, affected communities should be involved already in the project appraisal phase. This would increase the sense of ownership of the public investment and prevent the occurrence of protests, by fostering mutual understanding on the feasibility and benefits of the planned works. The fact that IP Latvia, and the IP model more in general, envisages that the monitor steps in only once the project has been already identified and appraised, might be seen as a weakness that needs to be addressed.

In terms of advocacy, perhaps not surprisingly, this pilot showed that political will from the government and other relevant public actors is essential for policy and institutional change. In fact, the commitment to pilot the IPs in Latvian regions, though mostly a result of TI Latvia’s work in the last phases of the project, is to be seen in relation to a broader effort to improve the public procurement system. The future implementation of the 4th OGP Action Plan represents a great occasion to make further progress. At the same time, this calls for thorough monitoring and evaluation of the impact of the initiatives undertaken.

Conclusions and sustainability of the Integrity Pacts in Latvia

In conclusion, in TI Latvia’s view, the implementation of the IP project was generally successful. Even though the monitored project could not be completed due to contextual factors, it did manage to achieve some strategic objectives. While the monitoring of the project contributed to the early identification and resolution of irregularities and to increased transparency in the procurement processes of the CA, Latvian authorities are more acquainted with the IP, and are willing to apply it at a broader level. These are all positive signals for the future sustainability of the tool in Latvia, and it is possible to outline areas of future action based on them:

Design and application of IP models tailored to the specific sectors of the monitored projects. Public procurements in different sectors require different approaches to civic monitoring and different

kinds of expertise. For example, some of the problems encountered in the IP pilot in Latvia could have been prevented by taking into account the need, for infrastructure projects, to involve civic monitors and citizens already in the appraisal phase – something that the standard IP model does not envisage. As such, it is necessary to elaborate more IP models tailored on the sector and characteristics of the monitored projects. Transparency International, together with CoST, the Open Contracting Partnership, and other leading international CSOs, has already developed such a model in relation to infrastructure procurement, which could be applied in the case of Latvia.⁴³

Harnessing the potential of open data and innovative digital tools. Increased availability of open data throughout the whole procurement cycle can be a key driver for increased efficiency and effectiveness of the public procurement system, while at the same time enabling mass civic monitoring of public investments. The Infrastructure Data Standard developed by CoST and the Open Contracting Data Standard developed by the Open Contracting Partnerships are two concrete examples of how this could be done, and also represent a useful starting point for mapping the data currently available and identifying what is still missing.

Building the monitoring capacity of civil society. The small size of civil society in Latvia, which is mostly based in Riga, and the lack of capacity in civic monitoring might complicate the effort to replicate the IP on a larger scale. As such, it is necessary to devise ways to create a network of CSOs, activists and independent experts willing to monitor different projects across the country and provide them with adequate training to do so. This could be done, for example, by developing a digital “marketplace” that brings together demand for and supply of technical expertise and provides material, resources and training on procurement monitoring. This should be accompanied by clear and strict procedures for ascertaining the qualification and capacity of actors to carry out the monitoring.

Innovative ideas for the financial sustainability of the IP model in Latvia. IP experience at the global level shows that there are many possible ways of doing this. For example, the government and contracting authorities more in general might consider earmarking a portion of funds available for procurements to civic monitoring according to the expected societal benefits and level of corruption risks. Another potential idea that could be implemented with the help of civil society could be the institution of a “Civic Monitoring Fund”, with contributions from the private sector and citizens. Though the details and feasibility of such funds should be discussed more in detail, it is important that any funds made available for civic monitoring are subjected to public scrutiny to avoid problems in terms of independence.

⁴³ https://www.transparency.org/whatwedo/publication/model_monitoring_agreement_and_integrity_pact_for_infrastructure

TI Lithuania

Monitoring activities

During the reporting period 3 smaller projects have been finalized (two projects for bicycle path sections and a skatepark). In the remaining bigger projects TI Lithuania has experienced challenges in communication with the CA and planning of activities. In addition, there is an ongoing litigation regarding decisions made in project of reconstruction of the left riverside.

COVID-19 did not have any severe impact for the implementation of works by the selected bidders. However, on the other hand, for TI Lithuania it became more difficult to track the progress of works and to plan and align its monitoring activities with the CA's plan. In addition, the outbreak of COVID-19 required TI Lithuania to review some of the planned monitoring activities and either reschedule them (i.e. launch of online tool with monitoring documents) or find alternative ways for engagement (i.e. trainings for CA staff). On the latter, TI Lithuania has engaged with the Corruption and Prevention Division from Vilnius City Municipality in order to review the current Anti-corruption programme and its implementation plan; to better understand how to achieve concrete, measurable and implementable change in the field of corruption prevention by the end of 2020 and to plan better for the next period, starting in 2021. Last but not least, TI Lithuania has been extensively working on the content for the IP's website. TI Lithuania planned to publish the website in the 1st quarter of 2020, however, due to COVID-19 pandemic, decided to postpone this activity to autumn 2020.

Advocacy

TI Lithuania has been cooperating with a number of partners related to the successful implementation of the IP and attended international events:

- (1) two members from TI Lithuania's team attended the conference "Engaging citizens for good governance in Cohesion Policy" in Brussels in February 2020;
- (2) TI Lithuania advocated for better management of conflict of interest as the new law came into force on January 2020. TI Lithuania strengthened its cooperation with the Chief Official Ethics Commission (responsible for implementation of the law). This means that CA (Vilnius City Municipality) and, especially, its representatives responsible for corruption prevention and public procurement, will also have to pay increased attention to the management of conflicts of interest;
- (3) cooperated with the Prosecutor General's Office and Ministry of Justice and jointly organized the first Whistleblower Protection Forum in the country. The purpose of this forum is to create a platform where the biggest public and private sector institutions could meet annually and exchange good practices and tendencies of whistleblower protection in the country. The Law on Whistleblower's Protection came into force on 1 January 2019 and it requires institutions to prepare and establish a safe reporting environment for their employees, thus this allows TI Lithuania to strengthen its advocacy efforts for the better protection of whistleblowers and improvement of reporting and feedback mechanisms at the Vilnius City Municipality;
- (4) cooperated with the Public Procurement Office during the pandemic and advocated for a centralized database for all covid-19 related procurements. This is directly related to the IP project as Vilnius City Municipality is one of the top 10 purchasing authorities for covid-19 related procurement. PPO has not only collected all the data but also published it in the open data format. Please find more information at: <https://vpt.lrv.lt/lt/naujienos/vpt-parengta-covid-19-pirkimu-ataskaita-atviri-duomenys-nustatyti-pirkimu-trukumai-ir-rekomendacijos>. Last but not least, the PPO is planning to create a new procurement system and will intensify its activities in the beginning of 2022.

As a result, these activities have strengthened TI Lithuania's advocacy efforts – the organization has been publicly commenting on issues related to management of conflict of interest, whistleblowers' protection, public procurement, among others (please see a list of media outreach in the table below).

Last but not least, TI Lithuania has been leading the work on the development of methodology for the comparative study on public procurement data quality and availability in Integrity Pact projects (KLA no. 3). During the reporting period TI Lithuania has prepared the pre-final version of the methodology, gathered partners' feedback, incorporated it in the updated version and sought for additional feedback from IP team at the TI-S. Objectives of this study are three-fold: (1) From the IP monitor's perspective, to compare public contracting data availability, accessibility and quality across the 11 countries, in relation to the monitored projects; (2) To assess information access to the Integrity Pact's monitor in terms of ease of access and quality of data available throughout each stage of the procurement process;

(3) To provide concrete and comparable data about 11 countries participating in IPs and, based on it, develop EU level recommendations about availability of contracting data for monitoring purposes.

Monitoring activities and Social accountability work (working with affected communities)

Due to the COVID-19 crisis, Portugal was in lockdown since March 2020. The [State Emergency was first declared on the 19th of March](#) and [it lasted until the 17th of April](#), but preventive measures to contain the virus are still in force, making impossible to organize any public events and monitoring guided tours during this period since gatherings are limited to 10 people. Nevertheless, TI PT do not foresee that the current coronavirus situation will prevent the project to be concluded by the 31st December 2021, and they expect to be able to continue to work closely with affected communities from the village of Alcobaça no later than the 4Q 2020.

Regarding the monitoring plan undertaken by the Expert Committee, there was a slight delay in receiving supporting information from the CA concerning the conclusion of MA02-*Monastery door and shop renovation* and the bidding process of MA01-*Conservation of the west and north façade* in order to produce the corresponding monitoring reports.

All the monitoring reports regarding the first work – MA02 – will be published and disseminated early September, after a final on-site visit by the Expert Committee, so that it can be formally stated as concluded.

Concerning the second construction work (MA01), changes in DGPC's leadership structure (new General Director and 4 new Deputy Directors) in early January delayed some of the decisions to be taken regarding MA01, which are linked to the global project presented by the CA to EU funding. This project included 3 sub-projects in 3 different World Heritage Monuments managed by DGPC. Until now, only the Alcobaça Monastery was able to launch tenders and start the construction works. The national contribution to MA01 needed to be approved by the Court of Accounts. For this to happen, Centro 2020, the funding operator (MA) was required to produce a positive feedback concerning the availability of Cohesion funds, but since it was a global project, and the other sub-projects didn't start, the level of execution was lower than expected, posing risks to the timely execution of the funds allocated to DGPC before December 2021, Centro 2020 was reluctant in certifying the expenditure to the Court of Accounts without reassurance from DGPC that all projects will be executed. The situation was unblock and the formal approval for starting the construction work came in June 2020.

Advocacy and Activities to communicate and promote Integrity Pacts

After revising their risk mapping for including the coronavirus lockdown, TI PT started working on a communication and engagement plan that allowed them to continue to develop civic monitoring activities despite not being able to organize events and onsite visits.

To cope with the virus, the government issued a new diploma allowing all public institutions to procure service and goods aimed at facing the consequences of the pandemic disease as well as of the lockdown without the need to perform competitive public procurement procedures, independently of the amounts involved. It is, therefore, possible to purchase medical equipment, as well as other services and goods through direct awarding/ single bidding.

In this sense, TI PT thought important to boost the clean contracting campaign by actively monitor the new set of procurement rules, as well the contracts published on the Portuguese Public Procurement Portal, and to develop a set of good practices and recommendations aimed at informing about the new risks posed by emergency procurement and the great value of civic monitoring tools and initiatives (such as the IP) to mitigate them.

TI PT organized 2 online events (webinars), both from a citizens' engagement perspective and outreach, inscribing the good practice of IP in the OGP Open Response and Open Recovery campaign and participated in a number of events promoted by Open Contracting Partnership as PP experts in Portugal, showcasing TI's recommendations regarding Emergency Procurement and the role of civic monitoring for increased transparency and accountability based on the IP lessons learned. For this campaign TI PT launched a new webpage and set up a new public procurement dashboard through open data.

Monitoring activities

The Cadastre and Real Estate Publicity Agency (ANCPI) developed tender documents in 2018 and launched the procurement by publishing these documents, at the end of 2018 and 2019. In 2020 Technical Specifications and prices estimations have been revised, after a market consultation process. New tenders have been launched and re-launched in 2020 for the selection of contractors for as many municipalities as possible.

The Ministry of Culture developed tender documents in 2018 and launched the procurement by publishing these documents, at the end of 2018 and 2019. A new tender was re-launched in 2020.

The reporting period from January to June 2020 included two main monitoring activities carried out by TI and IPP experts:

- Revision of the procurement documents of the re-launched or newly launched tenders.
- Monitoring the communication and cooperation of the Contracting Authorities and the contractors, including participation to meetings between the Contracting Authorities and the contractors.
- Revising the deliverables submitted by the contractors.

The Ministry of Education re-started the preparation of the project “The Integrated System for School Management” (that will include the e-catalogue) in April 2020 after a suspension that started in November 2019, when the project lost the project manager. TI RO and IPP revised the changes to the tender documents and recommended organising a public consultation on the e-catalogue functions and a market consultation for the requested solution.

From March to May 2020, the Romanian president declared a state of emergency throughout the country, limiting mobility and all other public activities, due to the COVID-19 crisis. The Presidential Decree nr. 195 from 16.03.2020 which established the state of emergency also established new norms regarding public procurement meant to facilitate the acquisition of emergency medical supplies. In this context, the IPP experts began to thoroughly monitor any new policies and legislation regarding public procurement that was published during this period, analysing it for the manner in which they interacted with pre-existing legislation, how they were applied, the problems that arose and any irregularities that might have arisen. EU legislation regarding public procurement during the pandemic was also monitored and analysed. Additionally, the IPP experts closely monitored the SICAP system (the online public acquisitions system used by the public authorities) analysing the public procedures that were launched during this period along with the published documentation and verifying for irregularities.

Activities to communicate and promote Integrity Pacts

In March 2020 [the monitoring reports](#) for the procurement conducted at the Cadastre and Real Estate Publicity Agency (ANCPI) and the Ministry of Culture were launched at an event organized jointly by TI and IPP. Experts from both organizations participated in presenting the most important conclusions of the reports followed by suggestions of future measures and actions to be implemented and improved by the Contracting Authorities as well as public authorities in general. Representatives of several ministries, including the Ministry of Justice (the Technical Secretariat of the National Anticorruption Strategy) as well as representatives of the National Public Procurement Agency (ANAP) have been present. Additionally, representatives of active NGOs in the field of good governance also participated in the launching events and debates.

The launching events included:

- A debate on how to enhance the coverage and inclusiveness of the property registration system in rural Romania using results presented in the monitoring reports.
- A debate on the future “Culturalia” (the result of the E-library project) using results presented in the monitoring reports.

The most important conclusions of the monitoring reports, debate during the events, are:

- Procurement procedures of both monitored contracting authorities have been carry out in compliance with laws and regulations. However, in the case of all procurement monitored the volume and complexity of documents generate risks of irregularities. The members of the tender evaluation committees are facing time pressure generated by the project timeline, but they need to assess thousands of pages of documents and errors can appear. In this context, simplification may be needed at the level of the procurement policy to avoid possible irregularities.
- The bidders signed or have been opened to discussed and to join the Integrity Pact. The tool has been well received and didn't generated mistrust among bidders. By contrast, bidders and contractors have been happy to participate in procurements with additional integrity mechanisms implemented.
- One of the risks identified in all monitored procurement is the lack of strong competition. Several procurements received just one offer or two to three offers. The lack of strong competition means bidders are not playing an important role in monitoring each-other and the contracting authority. Moreover, many bidders have limited capacity to participate in public procurements, resulting in formal errors in the offers. Sometimes these errors, although visible mistakes, not fraud attempts, lead to bidders' disqualification and even less competition.
- Lack of trust in public procurement seems to be one of the causes of the lack of strong competition.
- Developing and better presenting whistleblowing channels, as well as integrity trainings for public servants are still needed in order to ensure the best risk management.

During the reporting period most of the monitored contracts have been under implementation but due to the type of activities, i.e. the development of an online platform by the Ministry of Culture and the technical works for cadastre, public communication was difficult with direct respect to the monitored projects. During the height of the COVID-19 crisis, the state of emergency and the government enforced stringent mobility restrictions complicated communications between the Contracting Authorities and the experts from TI-Ro and IPP. However, following several phone discussions, communications resumed via videoconferencing. For example, in the case of the Ministry of Culture and the Culturalia project, meetings between the Ministry and the service provider continued via videoconference, while being monitored by the IPP.

Meetings with NGOs in the field of Education, as well as meetings with media representatives have been organised for the promotion of IPs in Romania, preparing all these stakeholders for the public debate on the e-catalogue to be organised in a joint TI-Ro-IPP event in August 2020.

The IPP experts regularly met with representatives from public authorities, including local public authorities, as well as local and foreign civil society representatives in order to discuss and promote the concept and advantages of Integrity Pacts and to learn from best practices in other countries. The videoconference with TI partners organized in May was really helpful to see what problems were encountered in other countries and what practices were established in order to prevent and combat them.

Social accountability work (working with affected communities)

During the reporting period, January-June 2020, the implementation of the Project's Monitoring, Evaluation and Learning Plan continued. The monitoring carried out showed that the information level and openness was maintained at the level of the responsible authorities in Romania, especially at the level of the contracting authorities. These are interesting to increase the integrity of the public procurement, including through the use of an instrument to facilitate the participation of the civil society, as is the Integrity Pact.

On the other hand, monitoring of the bidding phases in procurement, as well as the political evolution has not been favourable to any raise of trust in public procurement compliance and correctness from business and civil society. In this context, TI RO and IPP conducted extensive research at the level of bidders, media and civil society in order to assess their trust and to better understand the reasons for the lack of trust. Data have been collected in May-June 2020 and results will be used in communication in the next reporting period.

Moreover, during the reporting period, January-June 2020, TI RO and IPP continued to promote at community level the whistleblowing line for citizens affected by the cadastre services monitored.

Advocacy

The launch of the monitoring reports for the procurement conducted at the Cadastre and Real Estate Publicity Agency (ANCPPI) and the Ministry of Culture, in March 2020, represented the opportunity for the re-start of the advocacy with the National Public Procurement Agency (ANAP). As a result, in May 2020 TI-Romania started implementing an IP in partnership with the National Public Procurement Agency and the results of this cooperation will be used for a proposed guideline in partnership with ANAP for future IPs in Romania.

Monitoring activities

Monitoring activities continued in Novo mesto renovation with TI Slovenia monitors present at weekly coordination meeting where they have received information on project implementation and analysed the execution of the contract in real time. Several recommendations were made to involved parties in order to improve the implementation process.

Due to COVID19 pandemic⁴⁴ coordination meetings were not taking place. Therefore, the monitor did not attend them from mid-March to mid-May. The monitoring activities were ongoing remotely with the monitor focusing more on documentation received and analysis of certain pieces of information received before the pandemic started. This included the analysis of attendance of the selected bidder's staff, which was stipulated in the contract that the monitor proposed in the previous stages based on the experience from the Trbovlje renovation. While the nominated staff was not present at the beginning of the project, after the monitor's intervention the staff is now regularly present.

After coordination meetings on site restarted, the monitor promoted preventive measures against the spread of COVID-19 to project actors.

Activities to communicate and promote Integrity Pacts

After the December international conference, which increased interest in the IPs, TI Slovenia presented the tool and the project in depth to several stakeholders (Ministry of environment, Ministry of Justice etc). In the presentations the IP team focused on showcasing the practical aspects of the tool with thoroughly explaining the process and some of the lessons learned in order to further improve the usage of the tool. The activities restarted after the first wave of the COVID-19 crisis as most key stakeholders saw a change in leadership (change in government, change of head of the CPC).

Social accountability work (working with affected communities)

While some stakeholders have been contacted in this reporting period, not much progress was made with the affected communities as the response remains low. The COVID-19 pandemic did not help in this regard as well. In order to reach out to the local community local media were contacted and project representatives spoke to a journalist from a local paper. It remains to be seen, if this will provide the necessary push for other potential activities.

Advocacy

Activities to communicate and promote the IPs were in part interconnected to conveying advocacy messages. In meetings with decision makers it was particularly stressed the need incorporate preventive tools in policies – the inclusion of the IPs in the legislative framework, financing of preventive CSO programmes and the inclusion of IPs in other strategic anti-corruption documents (Resolution on the prevention of corruption, bi-annual government integrity plan).

Some advocacy activities were also targeting emergency procurement processes during COVID-19 pandemic. Namely, TI Slovenia called for the reestablishment of the dataset that supports the functioning of Erar app from the CPC that was stopped being refreshed at the beginning of the pandemic and called for accountability when initial reports regarding supposed irregularities were uncovered by the media.

⁴⁴ Declared on 12th March.